

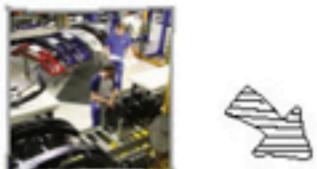


annual report 2011-12

**Global Potential
Harnessed**

Group Global Synergies

**PROCESS
TECHNOLOGIES**
Samvardhana Motherson
Peguform



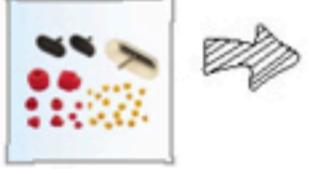
**INJECTION MOULDED
PARTS**
Motherson Automotive
Technologies & Engineering
Motherson Advanced Polymers



**REAR VISION & DRIVER
ASSISTANCE SYSTEMS**
Samvardhana Motherson
Reflected



RUBBER COMPONENTS
Motherson Automotive
Elastomers Technology



IT SUPPORT
MothersonSumi INFotech &
Designs



**RAW MATERIAL
RESEARCH**
Samvardhana
Motherson Peguform

**AIRBAG
ASSEMBLIES**
Samvardhana
Motherson Peguform



DESIGNING PROTOTYPING & CAE ANALYSIS
Samvardhana
Motherson Peguform
MothersonSumi
INFotech & Designs
Motherson Automotive
Technologies & Engineering



INJECTION MOULDING TOOLS
Sumi Motherson
Innovative Engineering
CTM India



**HVAC SYSTEMS & BODY
CONTROL MODULE**

Calsonic Kansei Motherson
Auto Products



INTEGRATED MODULE ASSEMBLIES

Samvardhana Motherson Peguform
Motherson Automotive Technologies & Engineering
MSSL Global RSA Module Engineering



**LIGHTING SYSTEMS
& AIR INTAKE
MANIFOLDS**

Magneti Morelli Motherson



CUTTING TOOLS
Motherson Techno Tools



BLOW MOULDED PARTS

Motherson Automotive
Technologies & Engineering



WIRES
Motherson Sumi Electric Wires



WIRING HARNESSSES

Motherson Sumi Systems Limited



**WIRING HARNESS
COMPONENTS**

Sumi Motherson Innovative
Engineering



**COMBINING SYNERGIES
DELIVERING SOLUTIONS**

GLOBAL POTENTIAL HARNESSED

Content

Corporate Information 01 | Global Potential Harnessed 02 | Samvardhana Motherson Group 04 |
Samvardhana Motherson Finance Limited 05 | Sumitomo Wiring Systems, Ltd. 08 | Motherson Sumi Systems Limited 09 |
Samvardhana Motherson Reflectec 12 | Samvardhana Motherson Peguform 18 | Vision, Mission & Values 26 |
Products & Industries Served 27 | Market Position 28 | Global Footprint 30 | Group Chairman's Letter 32 |
Financial Highlights 36 | Customer Recognition 38 | Management Discussion and Analysis 41 |
Directors' Report 57 | Report on Corporate Governance 63 | Auditor's Report 71 | Balance Sheet 74 |
Statement of Profit & Loss 75 | Cash Flow Statement 76 | Consolidated Financial Statements 127 |

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

forwardlooking 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.

Corporate Information

Founder Chairperson

(Late) Smt. S.L. Sehgal

Chairman Emeritus

(Late) Sh. K.L. Sehgal

Board of Directors**Mr. Vivek Chaand Sehgal**

Vice Chairman

Mr. Toshimi Shirakawa

Director

Mr. Yoshiki Kishimoto

Director

Maj. Gen. Amarjit Singh (Retd.)

Director

Mr. Arjun Puri

Director

Mr. Hideaki Ueshima

Director

Mr. Laksh Vaaman Sehgal

Director

Mr. Pankaj Mital

Whole-time Director

Registered Office

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

Investor Cell

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

Registrar

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

Auditors

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

Bankers

State Bank of India
ICICI Bank Ltd.
Citibank N.A.
HDFC Bank Ltd.
Bank of Tokyo Mitsubishi UFJ Ltd.
Axis Bank Ltd.
The Hongkong and Shanghai Banking Corporation Ltd.
DBS Bank Ltd.
Japan Bank for International Cooperation



Global Potential Harnessed

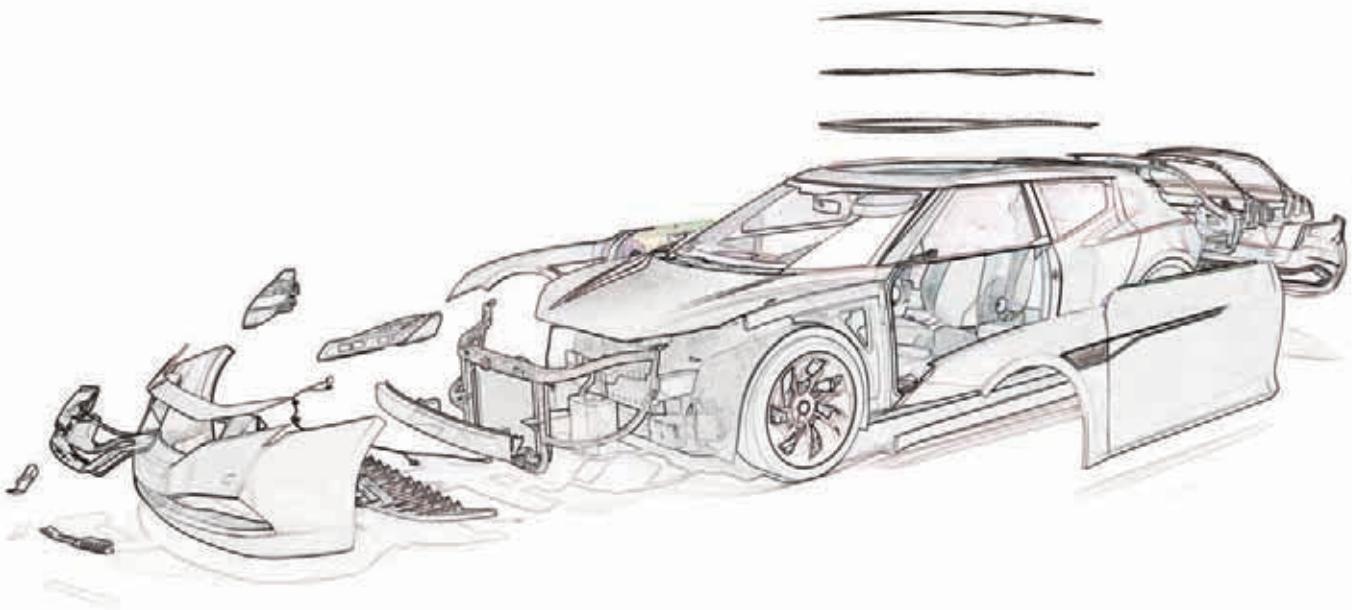


A strong core of strengths and the ability to evolve with the transforming needs of the industry underlines an organization's capacity to leverage the potential in that industry. At MSSL, we have, over the years, developed both, the necessary strengths and the ability to harness the continuously unfolding global potential in new business streams in the automotive industry.

As the potential in the global automotive industry widens and expands, we continue to build on our strengths to harness the same with more value-added, quality-driven products and services. With acquisition of Visiocorp and Pegoform, MSSL has expanded its product portfolio as a global module supplier and strengthened its global leadership position across products and industries.

Leveraging the organic as well as the inorganic routes, MSSL has made significant progress in terms of capacity augmentation, expansion of manufacturing facilities, extension into new geographies & markets, and much more. The progress chart continued to rise even amid challenging economic conditions.

Driven by a focused strategic roadmap, rooted in a strong foundation of trust, we are harnessing the global potential to create more value for our stakeholders.





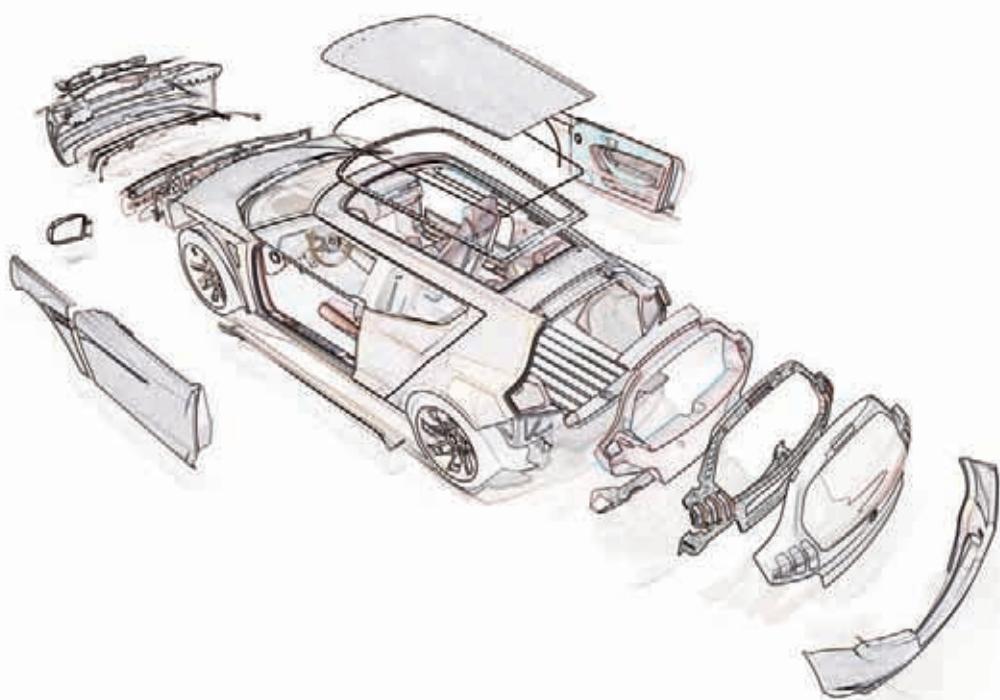
Samvardhana Motherson Group

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 25 countries, and a turnover of approximately USD 4.14 billion in 2011-12, the Group is supplying to all the major automobile manufacturers across the world. Motherson Sumi Systems Limited is the Eagle ship company of Samvardhana Motherson Group.

Designed to meet the continuously transforming needs of customers around the world, the Samvardhana Motherson

Group is continuously expanding its diversified bouquet of business 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 Group companies also provide support through products and services that strengthen MSSL's position as a full system solutions provider.





Samvardhana Motherson Finance Ltd.

Samvardhana Motherson Finance Limited (SMFL) is the principal managing and investment 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, for their overall co-ordination and providing central support.

SMFL operates its businesses through a number of subsidiaries, joint ventures and other consolidated entities. Each venture is independently managed by professionals. SMFL provides central support, strategy and management direction.

SMFL's diversified product portfolio, encompasses the entire range of the Samvardhana Motherson Group products. SMFL ventures supplement and support MSSL products.

The business portfolio includes wiring harnesses, rearview mirrors, moulded plastic parts, injection moulding tools, assemblies and modules, elastomer products, cutting tools and thin Blm coating metals, IT services, engineering & design, cabins for off-highway vehicles, HVAC/ air conditioning systems for automobiles, lighting systems, air intake manifolds, air compressors, paint coating equipment, auxiliary equipment for injection moulding machines and automotive manufacturing engineering services.

Through a combination of organic growth and acquisitions, SMFL is now

a multinational business with strong manufacturing and design capabilities. It has customers spread across multiple geographies. SMFL has presence in 25 countries across the world and is expanding globally continuously.

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.

SMFL has successfully forged partnerships with global technological leaders and has 21 JV partners.

The principal businesses in the automotive sector are held through Motherson Sumi Systems Limited (MSSL), Samvardhana Motherson Reflectec Group Holdings Limited (SMR) and Samvardhana Motherson Peguform (SMP).

The Company holds 36.12% of the equity share capital of MSSL. SMFL, along with MSSL, holds an equity interest in SMR, which is engaged in the manufacture of exterior and interior rear view vision systems and also SMP, which is a market leader in Europe for plastic modules.

GLOBAL PRESENCE

» AUSTRALIA

» Products :

- Rearview mirrors
- Rubber components and rubber mixing
- Waste recycling systems



» Manufacturing Plants 2



» BRAZIL

» Products :

- Rearview mirrors
- Interior & exterior polymer products



» Manufacturing Plants 5



» CHINA

» Products :

- Rearview mirrors
- Interior & exterior polymer products

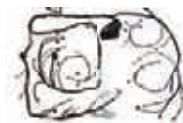


» Manufacturing Plants 4



SMFL BUSINESS PORTFOLIO

THROUGH MSSL AND ITS SUBSIDIARIES & JVS



■ Wiring Harnesses



■ Rearview Mirrors



■ Tooling



■ Vehicle Electronics



■ Polymer Processing



■ Elastomer Processing



■ Car HVAC Systems



■ Metal Machining

LIGHTING SYSTEMS, MANIFOLDS & PEDAL BOX ASSEMBLIES

JV: MAGNETI MARELLI, ITALY



- One of the largest manufacturers in India for plastic air intake manifold
- Product range includes air intake modules, automotive lighting & pedal box modules
- Manufacturing facilities in Pune & Manesar in India

CABINS FOR OFF-HIGHWAY VEHICLES

JV: FRITZMEIER, GERMANY



- One of the largest manufacturers in India for cabins for large size dump trucks
- Specialisation in producing operator cabins for off-highway machines like heavy duty dump-trucks, excavators, dozers, back hoe loaders, wheel loaders & agricultural tractor cabins
- Manufacturing facility in Chennai, India

HVAC FOR COMMERCIAL VEHICLES

JV: BERGSTROM, USA



- Manufacturing, assembly & marketing of HVAC application systems and components for the commercial vehicle segments including trucks along with construction, off-highway vehicles and agricultural equipment in the Indian and SAARC markets

REFRIGERATION SYSTEMS – TRANSPORT & STATIONARY

JV: ZANOTTI, ITALY



- Marketing a wide range of refrigeration systems for automobile and stationary applications
- Cooling systems ranging from refrigerated vans to large cold storages

BUS AIR-CONDITIONING SYSTEMS

JV: SPHEROS, GERMANY



- Manufacturing bus air conditioners and hatches in Noida, India
- Sales & service of Spheros products in the SAARC region

CUTTING TOOLS

JV: SUMITOMO HARDMETAL CORP., JAPAN



- One of the largest manufacturers of CBN & PCD cutting tools in India
- Marketing wide range of machining solutions
- Tool engineering services

GEAR CUTTING TOOLS

JV: NACHI FUJIKOSHI, JAPAN
ACQUISITION: DAGGAR FORST, INDIA



- One of the largest manufacturers of gear cutting tools in India
- Manufacturing & trading of broaching tools, gear cutting tools, gear hobs, shaving cutters, shaper cutters, master gears, built up hobs, forming racks, spline gauges & mandrels

THIN FILM COATING METALS

JV : NISSIN ELECTRIC, JAPAN



- Providing thin Blm coating services for various application areas including cutting tools, moulds, automobile parts, machine parts and resin moulds

IT, ENGINEERING & DESIGN

JV: SUMITOMO WIRING SYSTEMS, JAPAN



- Developing customised software solutions with global onsite support
- 6 facilities spread across India, Australia and U.S.A
- SEI CMM Level 5 certification

AUTOMOTIVE MANUFACTURING ENGINEERING

JV: AES, JAPAN



- Providing total turnkey solutions in automotive manufacturing engineering including manufacturing engineering, consultation, project management and turnkey supplies

AIR COMPRESSORS

JV: ANEST IWATA, JAPAN



- Product range includes lubricated, oil free & scroll type air compressor
- First to introduce oil free scroll compressors in India



- Designing components, modules, injection moulding tools and jigs
- CAE services covering simulations like FEM/ FEA/ CFD
- Virtual validation & prototyping

AUXILIARY EQUIPMENT FOR INJECTION MOULDING MACHINES

JV: MATSUI, JAPAN



- Marketing, installation and servicing of a comprehensive range of auxiliary equipment for injection moulding machines, dryers, loaders, temperature controllers, hoppers etc.

PAINT COATING EQUIPMENT

JV: ANEST IWATA, JAPAN



- Automatic and manual paint coating equipment
- Specialisation in compact, lightweight, medium & low air pressure operating manual & automatic spray guns, equipment & systems



Sumitomo Wiring Systems (Our principal partner)

Sumitomo Wiring Systems, Ltd. (SWS) is a 100% subsidiary of Sumitomo Electric Industries (Japan). SWS is a global supplier engaged in the manufacture and sale of wire harnesses, components and wires. SWS enjoys the second-highest share in wire harnesses worldwide.

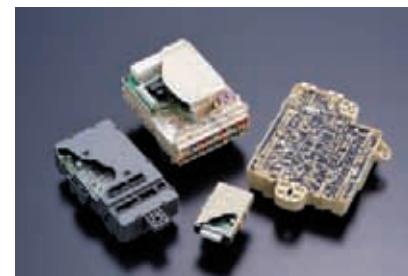
The valued relationship with SWS, started in 1983 as a technical agreement which got strengthened with the formation of Motherson Sumi Systems Limited in 1986 as a joint venture with SWS for the manufacture of wiring harnesses and wiring harness components. It is a relationship that has been nurtured to exceptional strength and 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 electrics.

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

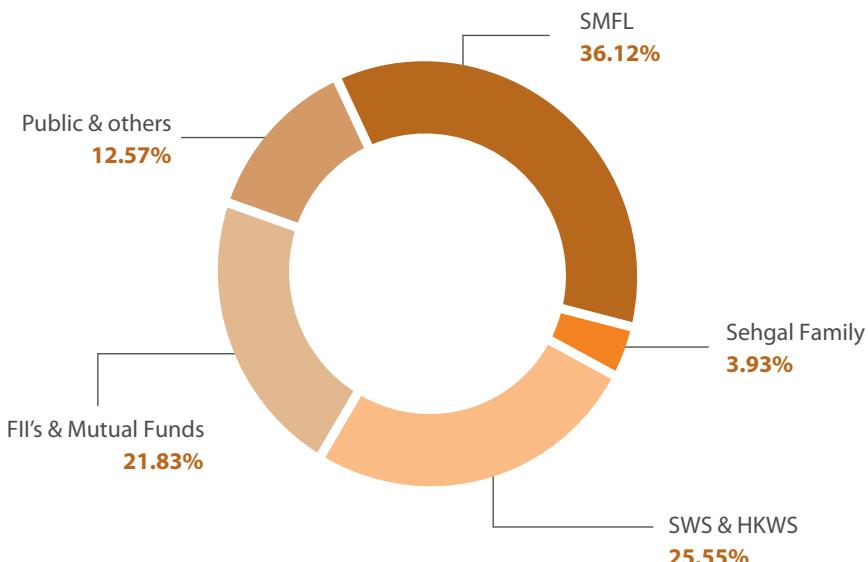
technical support for wiring harnesses, components, injection moulded parts, engineering design and software development (through joint ventures).

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



* As on 23rd April 2012 (Post Merger of SMIEL)

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

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 over the years.

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.

Building on its position as the largest manufacturer of wiring harnesses for passenger cars in India, MSSL is today one of the largest manufacturers of rearview mirrors for passenger cars in the world. It is also one of the largest manufacturers of IP modules, door trims and bumpers in Europe and a leading supplier of plastic components and modules to the

GLOBAL PRESENCE

» CZECH REPUBLIC

› Products :

- Injection Moulded Plastic Components

› Manufacturing Plant 1



» FRANCE

› Products :

- Rearview mirrors

› Manufacturing Plant 1



» GERMANY

› Products :

- Rearview mirrors
- Interior & exterior polymer products
- Machined metal components

› Manufacturing Plants 11



automotive industry. The capacity to expand the product and service range and to amalgamate multiple technologies to suit diverse needs of its customers around the world is a key strength of the Company 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, moulded 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 moulding 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, moulding, wiring harnesses, wires, connectors, terminals and fuse boxes for wiring harnesses; tooling support for polymer processing, assemblies and compounding; and mixing for moulded rubber products.

MSSL has manufacturing bases across Asia, Europe, North America, South America, Australia & Africa to support its customers. MSSL has expanded its network of manufacturing bases, design centres, logistics centres, 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 Visiocorp in 2009, which led to the creation of the entity - Samvardhana Motherson Reflectec (SMR), was done on customer behest. The move helped the Company evolve as one of the world's leading automotive mirror manufacturers and brought with it new global customers.

The acquisition of Peguform in November 2011, led to the formation of Samvardhana Motherson Peguform (SMP). This has catapulted the Company into the league of the largest manufacturers of IP modules, door trims and bumpers in Europe. The product range of Peguform has strong synergies with the existing product range of MSSL in plastic injection





moulding, door panels, instrument panels and bumpers. With this acquisition MSSL now has one of the largest state-of-the-art painting facilities in Europe with over 200 injection moulding machines.

MSSL has a diverse and expanding global customer base, which comprises of almost all the leading automobile manufacturers around the world. MSSL supports its customers globally, right from product design to analysis, prototyping, tooling, moulding, 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 to all its customers.



GLOBAL PRESENCE

» HUNGARY

› Products :

- Rearview mirrors



› Manufacturing Plants 2



» JAPAN

› Products :

- Wiring Harnesses



› Manufacturing Plant 1

» MEXICO

› Products :

- Rearview mirrors
- Interior & exterior polymer products
- Wiring harnesses (being established)



› Manufacturing Plants 3



» PORTUGAL

› Products :

- Interior & exterior polymer products



› Manufacturing Plant 1





Samvardhana Motherson Reflectec



“SMR is expanding into growing markets. At the time of takeover SMR was a global organisation with its main focus on Europe, North America, Korea and Australia. With new plants in Thailand, Brazil, China and India, SMR is strengthening its presence in emerging markets significantly. ”

LAKSH VAAMAN SEHGAL
CEO, SMR

Samvardhana Motherson Reflectec (SMR) is a leading global tier 1 supplier of automotive rear-view mirrors to the automotive industry. The company is a leading global supplier of exterior mirrors for passenger cars, commercial vehicles and heavy trucks and an expert in camera based sensing systems in the automotive industry.

SMR's global customer base includes all the major car manufacturers across North America, South America, Europe, Asia and Australia.

As a rearview mirror specialist SMR develops solutions for all categories of mirror applications from basic

manually-adjusted to electric control and high-value rear view vision systems with multiple integrated features. The vehicles which are equipped with SMR's mirrors, range from small electric cars to high volume passenger cars, sports cars, luxury cars, pick-up trucks and commercial vehicles.



SMR's plants, spread across the globe, are specialized in polymer processing, manufacturing of electronic and electro-mechanical systems, glass processing, automated painting and the assembly of complete systems. Global networking of all departments guarantees that the whole group benefits from the most successful processes and the best experts in the group.

Besides multiple state-of-the-art plastic injection moulding technologies,

robot aided painting and assembling, SMR is also specialized in processes to build sub-assemblies integrated in exterior mirrors such as light units, electric drive units, electronic modules and reflector modules. These processes include metalizing, vibration welding, PCB population, foaming, glass processing, coating and many more.

In the last three years since it became a part of Samvardhana Motherson Group in 2009, SMR has been completely and seamlessly integrated with SMG. The

inherent synergies are now showing results with increased insourcing from within the Group. For example Group companies provide wiring harnesses, polymer products, tool design and manufacturing, CAD and CAE services and IT services. In return, SMR provides a worldwide network of marketing and project management centres to the larger organisation. As a Tier 1 supplier, SMR maintains excellent global customer relations with nearly all of the world's large car manufacturers.

PRODUCT RANGE

- Exterior mirrors
- Mirror integrated light modules
- Interior mirrors
- Telescopic trailer tow mirrors
- Camera based blind spot detection systems



HIGH-VALUE EXTERIOR REAR VIEW MIRRORS WITH MULTIPLE INTEGRATED FEATURES

- Automatic dimming EC glass
- Electric power-folds
- Heated glass
- LED turn signal lamps
- Ground illumination lamps
- Integrated blind spot detection systems
- Blind spot warning lamps
- Telescopic trailer tow mirrors



INTERIOR REAR VIEW MIRRORS WITH MULTIPLE INTEGRATED FEATURES

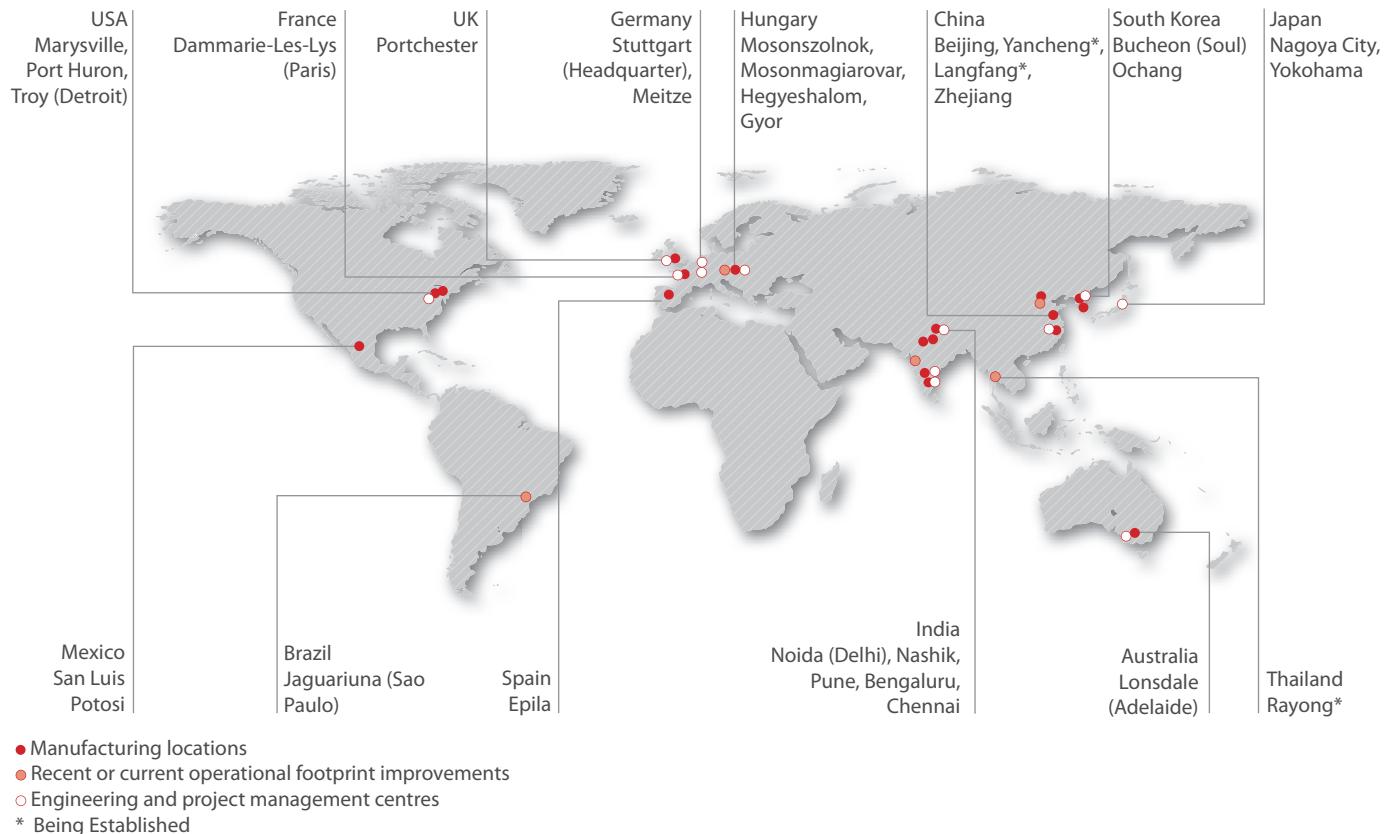
- Prismatic mirror glass
- Integrated toll collection system
- Reading lamps
- Integrated lighting
- Microphones
- Radio controlled garage door openers
- Rain sensors
- Air and humidity sensors
- Auto-dimming glass
- Electrical actuators with memory positioning



TELESCOPIC TRAILER TOW (TTT) MIRRORS

- Very useful in trucks and SUVs
- The mirror can be extended when towing and retracted for normal driving conditions.
- SMR is the first to incorporate both power-telescoping and power-folding functions into a trailer tow mirror.
- It is a safety accessory that adds to the look of a car and also maintains the physical attributes of a standard exterior mirror.
- SMR is a world leader and specialist in their design and manufacture, and is largely responsible for the evolution of the technology

ADDING CAPACITIES AND EXPANDING GLOBALLY



STRENGTHENING PRESENCE IN MORE STRATEGIC MARKETS

SMR is among the leading suppliers of exterior mirrors in regions where it has had presence for longer periods.

SMR is targeting to reach similar high market share levels in those markets in which SMR has entered within the last decade. Important to mention is China, by far the strongest growing automotive region in the world. Two factories were established in 2002 and 2003 followed by a joint venture in 2007. Since then SMR's

exterior mirror market share in this country has reached a level of 10% with a strong order book for future business.

Having new plants in Brazil and Thailand and targeting opportunities in South Africa, SMR is strongly positioning itself in the emerging markets as well. With this SMR will have production plants in 6 continents close to nearly all vehicle production hubs in the world.



BUILDING CAPACITIES

SMR is expanding globally to meet the growing requirements of its global customers. This expansion includes setting-up new plants as well as adding capacities and new capabilities at existing facilities.

SMR's latest significant footprint expansion activities are new production plants in Brazil and Pune (India), which became operational recently in 2012, and in Thailand, currently under construction.

While SMR has started high volume mirror production in Brazil and Pune already, the company has received orders for the production and supply of exterior mirrors in Thailand as from second half of 2012.

SMR has also received orders for the assembly of exterior mirrors in South Africa from 2013, where MSSL already has manufacturing presence.

The new plant in Hungary became operational during the year which effectively doubles SMR's manufacturing capacity in Central Europe.

SMR also added one more paint-shop in its Spanish plant in 2012, equipped with latest robot technology allowing to paint modern mirror geometries at better quality standards and shorter cycle time.

SMR has also opened an all-new clean room facility to produce plastic reflectors as substitution to glass reflectors in Australia. This new facility is equipped with state-of-the-art injection moulding, metallization and robot aided dip-coating machines and also capable of producing high-quality products for applications in medical and white goods industry.



NEW FACILITIES

- » **Hungary** - 2nd plant to support German OEMs
- » **Brazil** - Greenfield plant - First presence in South America
- » **Thailand** - Greenfield plant for mirror business and vertical integration for glass manufacturing
- » **Pune, India** - New plant for customers in western region
- » **Mexico** - Expansion of mirror manufacturing capacities and vertical integration for glass manufacturing
- » **Spain** - New paint shop for capacity expansion
- » **Korea** - Vertical integration for actuator manufacturing
- » **Langfang, China** - Greenfield plant under construction
- » **Yancheng, China** - New facility under construction for capacity expansion to support existing customers



SMR has opened a new factory in Hungary in 2011, close to its existing Hungarian production plant to meet the increased demand for the company's products. With this factory SMR has doubled its capacity for the production of exterior mirrors in Central Europe and formed one of the biggest production hubs of modern exterior mirrors in the world.

LEADING BY INNOVATION AND TECHNOLOGY

SMR's global market share for exterior mirrors is 22% for passenger cars and light commercial vehicles. SMR has regularly launched new functions and technologies in exterior mirrors for the innovation driven luxury car segments, and has also established a leading position in many cost sensitive and emerging markets.

As a technology leader, SMR has introduced numerous new features around the globe. With continued focus on new technology, SMR aims to provide its customers with significant advantages by offering differentiated and highly value added products. This in turn ensures competitive advantage and value addition for SMR.

Intelligent Vision Sensor Technology

Driver Assistant Systems are among the strongest growing market sectors in the automotive industry and are going to comprise a significant part of the value of future automobiles. Driver Assistant System provides significant comfort and safety advantages by detecting the vehicle's surrounding and providing intelligently processed information to other vehicle integrated systems and the driver.

Camera based sensor systems can detect and classify objects, see road marks, brightness conditions and signal lights, read traffic signs and finally display images on screen. This unique versatility makes cameras suitable

for more safety and comfort applications than any other sensor technology.

SMR's new generation camera system is designed to be applicable for multiple Driver Assistant Systems and maneuvering display features. Some of the applications and features are:

- Back-up display with reverse driving guidelines
- Top-view maneuvering display
- 360° surround view systems
- Lane departure warning
- Blind spot detection systems
- Lane change systems
- Parking / exit assistance



SMR also launched its first high-gloss mirror components produced in a 2-layer moulding process in 2011. The parts combine scratch resistance with high rigidity and are superior to painted surfaces in evenness and gloss.

1998



Turn signal lamps in exterior mirrors (Mercedes-Benz)

2001



LIN-bus-systems in exterior mirrors (Jaguar)

2005



Side-looker-LED turn signals (Hyundai)

2007



Camera-based blind spot detection systems (Volvo)

2007



Power telescopic and power folding mirrors (Ford)

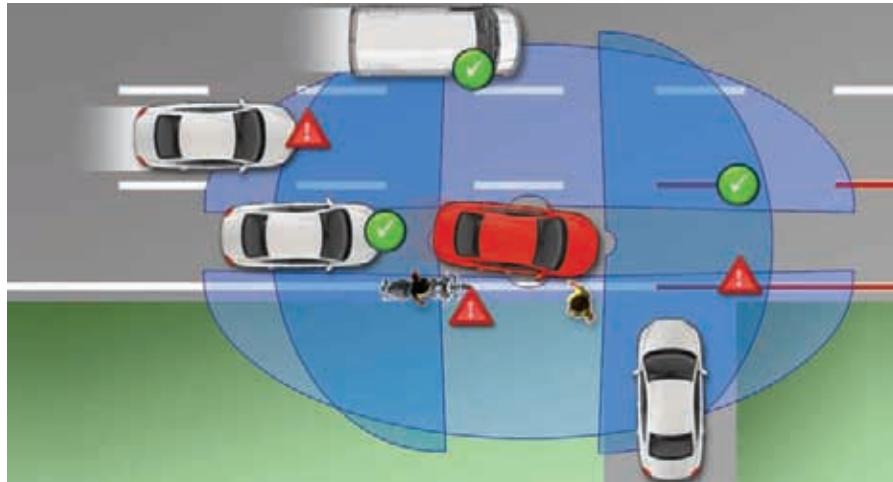
Camera based rear view systems

Most of the car-makers' concept cars on auto shows have no mirrors but cameras and monitors. It is just a question of time when such cars will be seen on the roads. Camera and display technologies are just becoming mature enough to replace the mirrors, but cameras will be competitive only in limited premium vehicle segments.

SMR's new solutions combine several advantages: reducing wind drag

significantly, providing customized views depending on traffic situations and individual preferences such as zoom features and anti glare filter, as well as the implementation of intelligent assistance features into the system.

As a mirror supplier it is logical for SMR to enter the market of mirror replacing technologies. Because camera based solutions are of higher value than conventional mirror solutions, SMR expects a positive impact in its business by this fact.



ECO-FRIENDLY MIRRORS

Axis-less mirror concept

- Mirrors without a pivot for folding
- Relatively small size with reduced weight and air friction.
- Relatively low complexity helps to reduce cost, making the product very attractive for the strongly growing small and lower-priced vehicle segments in all markets.
- Leads to reduction of cost, weight and also carbon emission.



Plastic reflectors

- SMR's highly integrative plastic reflectors are designed to substitute conventional glass reflector modules.
- The new solution is up to 50% lighter and enables nearly unlimited design freedom in shapes and surface curvatures.
- SMR is launching this product in 2012 on pick-up trucks in North America.
- SMR has received the SAE Australasia award for this new technology in 2011.



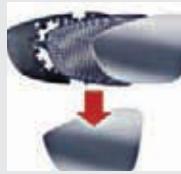
2011

2012

FUTURE TECHNOLOGIES



Logo Lamp
(Land Rover)



Light weight
plastic reflectors



Camera systems
replacing Interior
and exterior
mirrors



Next generation
vision based sensor
technology



Samvardhana Motherson Peguform



Headquarter and first production facility of SMP

Samvardhana Motherson Peguform (SMP) is the new group created through the acquisition of Peguform GmbH, Germany jointly by MSSL and SMFL in November 2011. With annual sales of 1.67 billion Euros, SMP is now the largest subsidiary of MSSL on a full year basis. This acquisition has placed MSSL in the league of leading global automotive components suppliers.

SMP is an established global tier 1 manufacturer of polymer-based automotive modules specialising in high quality interior and exterior products for the automotive industry. The company is a full system solutions provider in

plastic parts with its offerings ranging from design and concept development, product development to simulation, test and model to fully integrated mass production modules.

SMP is one of the largest manufacturers of bumpers, rocker panels, instrument panels, interior door panels and other related products for the European automotive industry. With numerous patented technologies and industry-first innovations in all product areas, it is one of the most preferred automotive components manufacturers for car makers in regions it serves. SMP makes highly advanced and aesthetic

components for various price segments, from mass segments to premium and luxury segments.

SMP's main customers include Volkswagen, Audi, Seat, BMW, Porsche, Daimler, Renault /Nissan and GM.

Apart from technology and robust manufacturing infrastructure, SMP's core product segments require highly complex processes in purchasing logistics, transport, packaging, online IT systems, version management, Just-In-Time production and Supply-In-Line-Sequence. SMP's competence in these areas gives it a distinct competitive edge.

A LOOK INTO THE PAST

Founded in 1959 in Germany, Peguform emerged as a polymer specialist for multiple industries. The company entered the automotive industry with plastic parts in 1971. Within 20 years, SMP broadened its product portfolio to numerous polymer based interior and exterior modules such as bumpers, rocker panels, hybrid hatch backs (rear doors), roof components, interior door panels, instrument panels and consoles. With numerous patented technologies and ground-breaking innovations in all product areas, such as the first plastic bumper covers in Europe, Peguform quickly built a strong reputation for its quality products and innovations with leading car makers in Germany.

PRODUCT RANGE

EXTERIOR SYSTEMS

Bumper Modules

- SMP is the market leader for bumper covers in Germany and Spain
- One of the largest business segments of SMP
- SMP holds multiple patents for innovative bumper solutions
- Integrates numerous value added features in the bumper cover, such

as fog lamps, air ducts, chrome trims, grills, emblems, gaskets and "xing" systems

- Large sized products
- Require top-level surfaces and dimensional accuracy
- Require state-of-the-art production capabilities and a high level of expertise

- Stringent requirements regarding quality, safety and cost
- Uses latest design, simulation, test and crash-test tools for shortest development time and high level of reliability
- Focused efforts to make future bumpers lighter, environment friendlier, crash optimized and more safe for pedestrians in case of an impact



Front-end Modules

- Expertise in manufacturing and supplying highly complex systems with large dimensions
- Producing completely pre-assembled front-end modules

- High value content added to the bumper covers such as
 - Crash beams
 - Lighting systems
 - Air coolers
 - Air vents
 - Washer nozzles

- Much more complex than bumper covers
- Increases the content and value added per car by SMP



PRODUCT RANGE

INTERIOR MODULES

SMP recognized the trend in consumer expectations regarding aesthetics, quality and technologically advanced products and has worked towards fulfilling customer expectations. SMP puts maximum focus on the development of highly attractive and multifunctional interiors.

SMP has emerged as one of the most preferred partner for all major players in the automotive industry especially in Germany and Spain and is now a global technology leader for high quality instrument panels and interior door panels.

SMP holds a broad portfolio of patents and applies unique technologies which enable economic production of high quality components. For example SMP makes

soft plastic surfaces with nearly identical appearance and touch of real leather. With the unique "Pegu Trim®" process, SMP can even produce plastic parts with three different surfaces like fabric and decorative foils in a single step.

SMP's core manufacturing competencies for interior systems include:

- Injection moulding
- Insert moulding
- Gas injection moulding
- Slush moulding
- Welding
- Gluing
- Laser trimming
- High gloss and soft-touch painting
- Back moulding and back foaming

- Lamination of plastic parts with textiles, foils and real leather

SMP products are complete with switchboards, lighting systems, decorative trims, leather and fabric laminated panels, emblems, wiring harnesses, fixing elements, reinforcing carriers, and several such integrated components.

The broad portfolio for interior components and modules include:

- Centre consoles
- Cockpit modules
- Door panels
- Covers and decorative trims
- Window frames
- Trunk trims



HISTORY OF INNOVATIONS

While bumpers and front-end modules today represent 70% of SMP's exterior business; sill covers, spoilers, roof components, hatch back components, front carriers and many other exterior products around the vehicle represent approximately 30%. SMP's engineering and production capabilities and expertise in polymers enables the company to expand its presence in these segments significantly.

INNOVATION

With a long track record of market firsts in Europe such as painted bumper covers and the thermoplastic composite bumper beams, SMP has significantly influenced today's design of automobiles.

For example, SMP has recently launched large panels for an all new retractable hard top with environment friendly polymer solutions. Natural fibres provide mechanical strength while helping to reduce weight and the consumption of fossil raw materials. SMP's vision of future cars is a significant increase in modularization of the body structure for more individualized and assembly friendly designs.

Innovative vehicle concepts require innovative system partners such as SMP. SMP has frequently introduced new solutions based on its core manufacturing processes such as polymers, painting, slush-moulding and kinematics module for convertibles. These innovative thermoplastic high-gloss panels are market firsts, produced with one of the

SMP manufactures a wide range of products for both vehicle exteriors as well as interiors. With SMP's interior business segment, being approximately the same size as the exterior segment, SMP rounds up and balances its portfolio perfectly. SMP is well positioned to support the global trend of using more plastic content in cars, adding more features for comfort, higher value aesthetic surfaces per car and also to upgrade the quality standards with time.

largest standard injection moulding machines available for the automotive industry today.

SMP has a strong portfolio with multiple marketable concepts to replace multiple metal based body components.

As a specialist in the development and production of large polymer based modules, SMP is a key partner to several carmakers.

The emerging trend is replacement of metal components by large plastic modules. It is expected that this trend will provide significant growth potential for SMP.



PLASTIC FRONT-END-CARRIER



CONVERTIBLE TOP COVER



PLASTIC TAILGATE

2009	"PeguTrim® Back injection moulding of trim parts with different surface materials in a One-Shot-Process
2009	First thermoplastic soft top lid
2008	Duo Lamination process for the back moulding of different fabrics with one tool (one-shot)
2007	Integrated airbag system for the passenger
2005	Implementation of the IR welding technology for big parts
2003	First Cockpit Module
2002	Innovative ventilation system for premium segment cockpit
2001	First integrated passenger airbag lid/hinge in a one-shot technology
2000	First injected LGF-PP front end carrier
2000	First double slush Instrument panel
2000	First multihybrid hatchback
1998	First thermoplastic composite bumper beam
1997	First thermoplastic hatchback in mass production
1996	First All-PP-Instrument panel (TPO-foil on PP-carrier)
1994	Introduction of electrostatic application of water-based paint systems
1994	Powder slush with innovative process and manufacturing technology
1993	First Frontend Module
1993	Award for recycling of painted bumper systems
1992	Introduction of water-based painting application in serial production
1990	First grill opening reinforcement in BMC
1989	First grill opening reinforcement in SMC
1989	Solvent-free laminating of interior parts
1988	Two tone door in one-shot technology
1987	Two tone bumper concept
1986	First back foamed bumper + body color painting
1985	Complete composite car body
1984	First blow moulded rear spoiler
1983	First thermoplastic door panel on automated production line
1983	First plastic hatchback (BMC) in mass production
1981	First body color painted bumper in Europe
1980	First PC/PBT application for bumper fascias
1977	First thermoplastic bumper in Europe

RESEARCH AND DEVELOPMENT

Strong research and development capabilities give a competitive advantage to SMP. As a leading full service supplier of differentiated high quality interior and exterior products for the automotive Industry, SMP has a vast experience in product development. The knowledge and experience of a global resource pool of engineers and specialists enables SMP to constantly exceed the steadily increasing requirements of its customers. The company has highly efficient and specialized teams for all relevant development processes in-house.

SMP carries out comprehensive research and development on products, processes and materials, tracking the concept development of each product from the initial stages.

RESEARCH ON MATERIALS

- Material study at product design stage
- Benefits of the material to be used and the related process technologies
- Cost advantages and quality improvements through integration of functions and skilful material combinations.
- SMP's concepts for new polymer based vehicle body and interior solutions include composite tailgates, roof modules, rear end modules, front end modules and luggage compartment modules
- The use of recycled materials, environmental friendly thermoplastics,

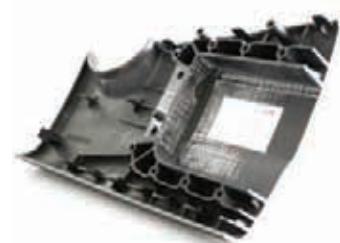
light weight structures and natural fibres for many concepts and current serial development projects

- Meeting the global demand of the automotive industry for solutions
- Developing thermoplastic compound elements with 50% natural fibres



MATERIAL SUBSTITUTION & LIGHT-WEIGHTING TECHNOLOGIES

SMP's leading expertise in multiple polymer processing technologies is the optimal foundation for the development of numerous innovative solutions for the automotive industry, to substitute metal by lighter, cheaper and environmental friendly polymers wherever possible.



Innovative light-weight fibre-reinforced plastic airbag cover for future instrument panels

SPECIALIZED MANUFACTURING PROCESSES

SMP has patents for a number of manufacturing processes. Slush-moulding is a key process of SMP. It enables thermoplastic products to be manufactured with detailed and often complex shapes and also with high quality soft-touch surfaces. The rotational technique allows parts to be made with a single "cosmetic" side of any size. The moulding material use by the SMP Group is an optimized PVC powder. This material is charged into the mould; then the mould is "tumbled" while its temperature is elevated simultaneously. The process encourages the moulding material to form a skin on the mould

surface. Once the part is fully formed, the mould is cooled down rapidly and the part can be peeled from the surface of the mould. A prime application for this process is the manufacture of vehicle instrument panel "skins" that are ultimately back-filled with a foam system, providing the finished product with the necessary rigidity.

SMP was the first company to produce double-slush skins for dashboards, a technology in which two substrates with different colours are processed in one mould at the same time.



DASH-BOARD SKIN PEELED OFF FROM SLUSH-MOULDING TOOL



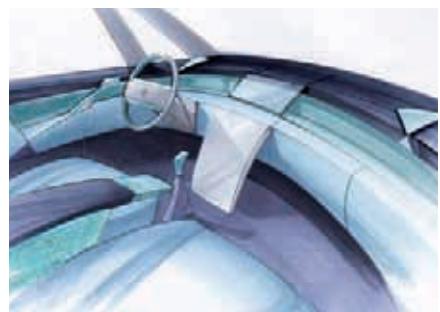
PRODUCT DEVELOPMENT

Holistic approach to product development considering

- Production process
- Tolerance concepts
- Service friendliness
- Recycling concepts
- Product features and reliability through
 - Advanced research
 - Design & development
 - Computer aided stress and Mold Flow simulation
 - Test & validation
 - Acoustic and climate testing
 - Crash-test
 - Crash simulation
 - Tooling design
 - Manufacturing planning

OCCUPANT & PEDESTRIAN SAFETY

Another focus of SMP's research activities is efficient solutions for occupant and pedestrian protection. In state-of-the-art crash-laboratories and by means of computer aided simulations, for example airbag simulations. SMP tests the interior and exterior components in their conceptual phase itself for various safety aspects such as, head and knee impact studies. Through this, SMP has developed numerous solutions for economic and aesthetic integration of airbags into instrument panels and other interior components.



LARGE SCALE INJECTION MOULDING MACHINES
IN ALL PLANTS



ROBOT AIDED PAINTING



ROBOT AIDED FOAMING FACILITY

GEOGRAPHIC EXPANSION

Peguform was established in Germany where most of its products are still produced and assembled. With an employee strength of more than 4,000 in 6 manufacturing plants and 3 modules centres, Peguform has continuously expanded globally, setting up new operations across Europe, Mexico, Brazil and China to support its customers across the globe.

Spain and Portugal were the first markets outside Germany where SMP established a significant footprint with its interior and exterior products.

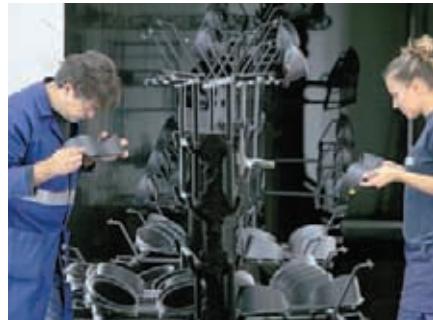
Today SMP is the largest supplier of cockpits, door panels and bumpers in this region with 6 large production plants in all automotive centres.

SMP with an objective to be near its customers, established high volume factories in Mexico and Brazil in 1996. Since then the demand for SMP's products has increased significantly. Currently, SMP is doubling its capacity for automated painting of large polymer parts in its Brazilian plant in Atibaia.

SMP is currently building a modern

greenfield factory in Puebla, Mexico for the production of interior and exterior modules.

China and Brazil are among the strongest growing regions in the automotive industry. For SMP, China is the youngest market. Through the Joint Venture with the Chinese Automotive Supplier CAIP, established in 2008, SMP is producing and supplying painted bumper covers and interior door panels to customers in North China. SMP has plans to expand its business in China significantly.



SMP has 17 manufacturing plants, 8 module centres and 7 engineering and development centres in 7 countries (Germany, Spain, Portugal, Brazil, Mexico, China and Slovakia) across 4 continents employing more than 7,000 employees.



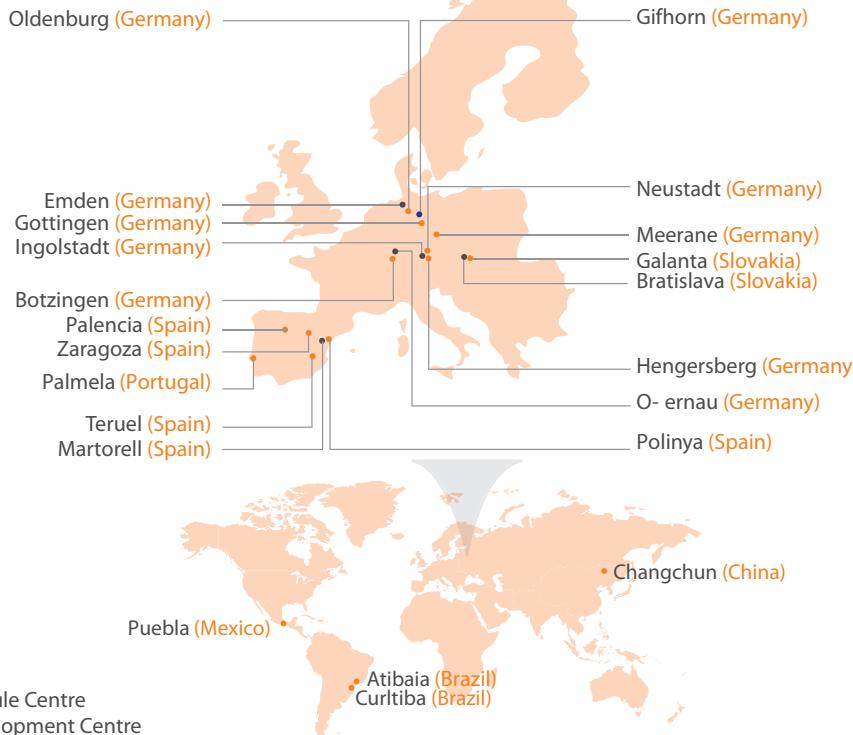
FLEXIBLE, FAST AND EFFICIENT: FULLY AUTOMATIC WAREHOUSE LOGISTICS



NEW PLANT IN PALENCIA, SPAIN; MODERN PLANT FOR INTERIOR COMPONENTS



NEW PLANT IN PUEBLA, MEXICO; INTERIOR AND EXTERIOR MODULES

EUROPE**THE NEED TO BE CLOSE TO THE CUSTOMER**

- SMP produces large size polymer based modules such as bumpers, instrument panels and door panels which are not very freight friendly
- These products are generally ordered with a high diversity of optional integrated features, which demand "Just-in-sequence" delivery. This means that each module which is installed by SMP's customers on cars, is ordered individually with a lead time of only a few hours to a few days
- Modern logistic systems and production processes enable SMP to produce and deliver all individually ordered modules right on demand and in sequence
- This avoids high inventory levels at both the supplier and customer ends
- Just-in-sequence delivery of large modules also requires SMP's products to be assembled very close to its customer's vehicle assembly plants to keep transport time and cost at a low level

SYNERGIES WITH MSSL

It is a group strategy to expand the Group's business based on the combined customer base and geographic footprint significantly. SMP's capabilities for the production and assembly of highly complex and large modules as well as its extraordinary technology expertise in multiple polymer and surface finishing technologies enhances MSSL's positioning as a global full system solutions provider.

Strategic acquisitions done by the Company always seek to acquire assets with high growth potential along with their existing customer base and relationships. The objective is to improve and stabilize business through enhanced quality, delivery parameters and engineering support, coupled with MSSL's management know-how and experience.

SMP's business of interior and exterior products for the automotive industry is complementary to MSSL's existing polymer processing business. SMP has an established international customer-base and manufacturing locations around the world. Further, SMP gives MSSL access to advanced production technologies such as high volume multi-injection processes, oil-based slushing and double-slush processes, foaming, thermo-laminating and highly automated assembly lines.

MSSL further seeks to achieve operational synergies through the horizontal and vertical integration of SMP's operations and products, by sourcing raw materials, inputs like wiring harnesses and smaller plastic parts etc. from its Group companies where possible. The objective is to expand the

Group's business based on the combined customer base and geographic footprint significantly.

Synergies between SMP and Group companies offer significant opportunities for sourcing components and sub-assemblies from within the Group. SMP offers an established platform as a global tier-1 supplier to the Group companies.

The strategy is to expand the business of the Group with SMP's global customers and use its technology and product range to expand the operations with the existing customer base in other geographies.

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

Products & Industries Served

MSSL's collaborations with global technology leaders, coupled with its own technology and strength in leveraging its competence in existing areas, has enabled the Company to develop an extensive portfolio of products to reach out to customers across industries.

The products and varied applications and are designed to fulfil the needs of diverse customers across the globe.

PRODUCTS

- Wiring Harness, Wires & Wiring Harness Components
- Automotive Rear View Mirrors
- Injection Moulded Products
- Blow Moulded Products
- Liquid Silicone Rubber Moulded Components
- Injection Moulding Tools
- Precision Machined Metal Components
- Modules
 - IP/Cockpit
 - Door Trims
 - Bumpers
 - Air filter systems
 - Car HVAC systems
- Vehicle Electronics
 - Keyless entry systems
 - Body control modules
- Waste Recycling System

INDUSTRIES SERVED

- Automotive
- Off-Road Vehicles
- Earthmoving and Material Handling Equipment
- Agriculture and Farm Equipment
- Healthcare & Medical Diagnostics
- Consumer Durables
- Rubber and Tyre Industry
- IT Hardware
- Test and Measuring
- Scientific Equipment
- Elevators
- Electrical Equipment
- Lawn & Garden Equipment
- Mining
- Railways & Defence Services
- Construction Equipment
- Industrial Equipment & Applications

GLOBAL PRESENCE

» SHARJAH

➤ Products :

- Wiring harnesses
- Moulded liquid silicon products
- Injection moulded components
- Waste management systems

➤ Manufacturing Plant 5



» SLOVAKIA

➤ Products :

- Interior & exterior polymer products

➤ Manufacturing Plants 2



» SOUTH AFRICA

➤ Products :

- Interior & exterior Polymer products
- Vacuum formed products

➤ Manufacturing Plants 2



Market Position

Having established itself as one of the largest auto ancillaries in India, MSSL's growing network of relationships across a diverse customer base in diverse geographies has enabled it to build a leadership position across the entire range of products with an ever growing global presence.

- One of the largest manufacturers of automotive rear view mirrors for passenger cars in the world
- One of the largest manufacturers of IP modules, door trims and bumpers in Europe
- Largest manufacturer of automotive

wiring harnesses in India, with more than 65 per cent market share in passenger car segment, serving the entire automotive industry

- Largest manufacturer of rear view mirrors for passenger cars and MUVs in India
- One of the largest manufacturers and suppliers of plastic components to the automotive industry



GLOBAL PRESENCE

» SOUTH KOREA

► Products :

- Rearview mirrors



► Manufacturing Plants 2



FACILITIES

Rear view mirrors



20

Liquid silicone rubber injection moulding



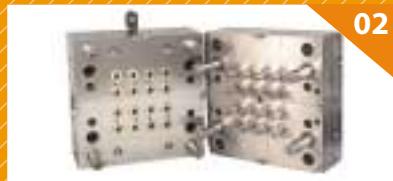
01

Wiring harness manufacturing



30

Injection moulding tool manufacturing



02

Wire manufacturing



04

Design engineering



24

Tube manufacturing



01

IP/cockpit assembly/door trim manufacturing



12

Plastic moulding



49

Metal machining



02

Rubber moulding



04

HVAC systems



02

» SPAIN

► Products :

- Rearview mirrors
- Interior & exterior polymer products



► Manufacturing Plants 7



» SRI LANKA

► Products :

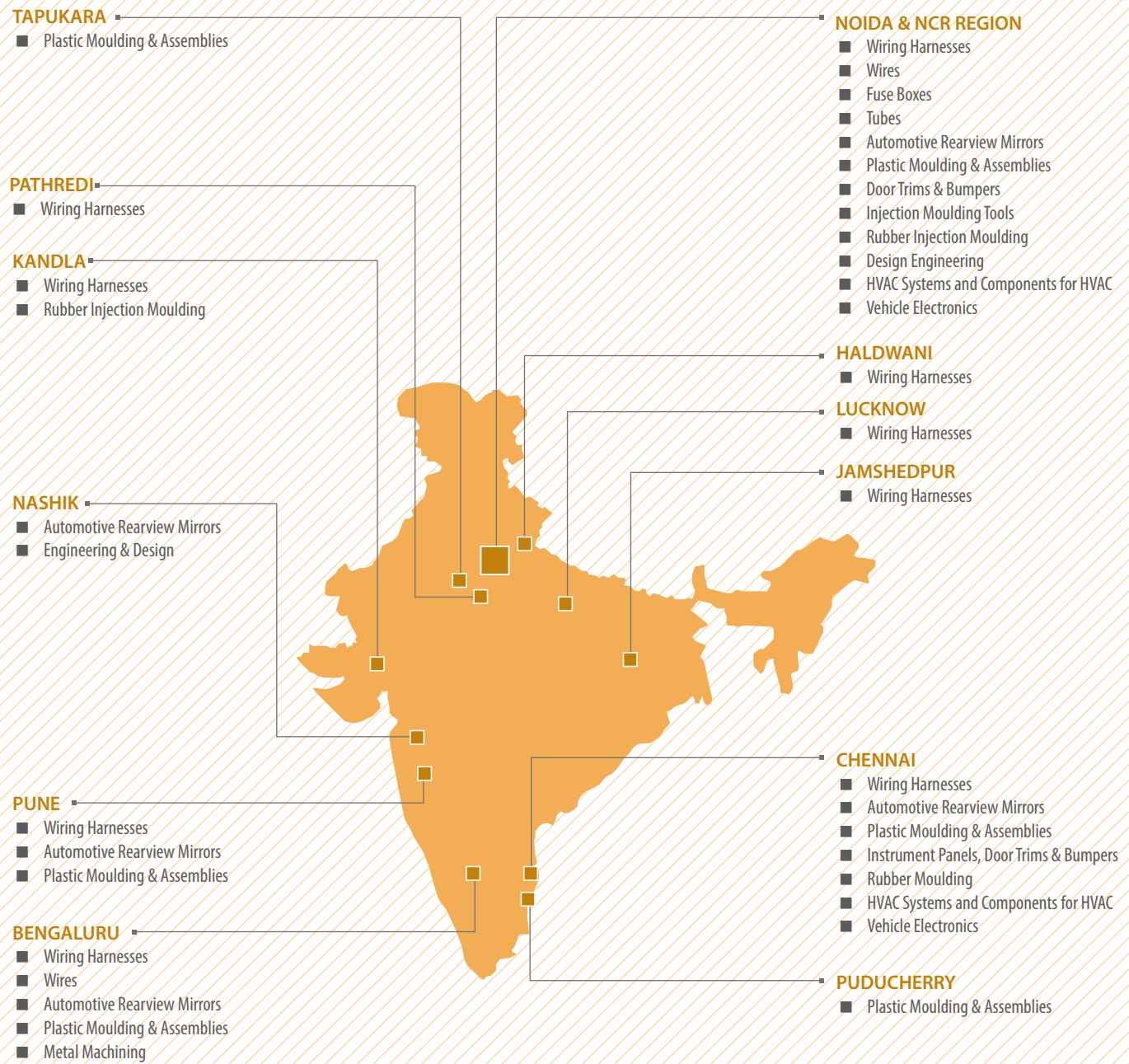
- Automotive wires



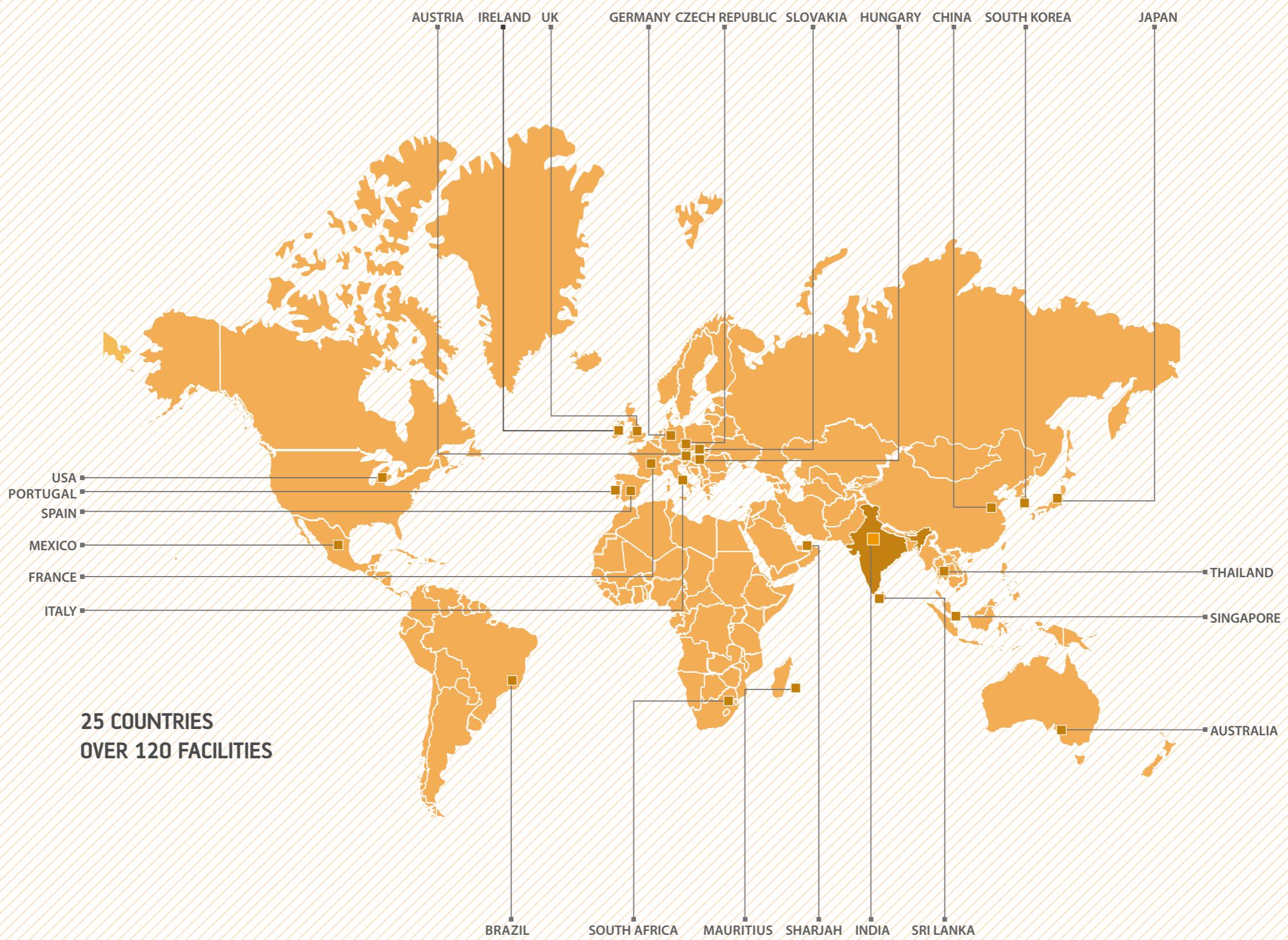
► Manufacturing Plant 1



Locations in India



Global Footprint



REARVIEW MIRRORS**WIRING HARNESSES & WIRES****POLYMER PROCESSING****ELASTOMER, METAL MACHINING & OTHERS****GLOBAL DESIGN NETWORK****REPRESENTATIVE OFFICES & SUPPORT CENTRES**

From the desk of Group Chairman and MSSL Vice Chairman

“ In the first full quarter of consolidation of Samvardhana Motherson Peguform the consolidated turnover of MSSL was USD 1.25 Bn approx. which translates to a turnover of USD 5 Bn approx. for the full year. ”

V.C. Sehgal
Group Chairman and MSSL Vice Chairman

Dear Shareholders,

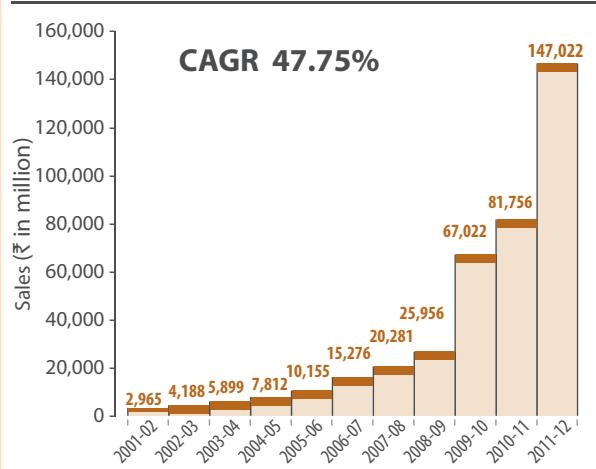
I take this opportunity to congratulate you on yet another year of stellar performance of your company which brings your company closer to nearly achieving its 5 year sales target of making MSSL a USD 5 Bn company by 2015. In the first full quarter of consolidation of Samvardhana Motherson Peguform the consolidated turnover of

MSSL was USD 1.25 Bn approx. which translates to a turnover of USD 5 Bn approx. for the full year.

The year 2011-12 was a challenging as well as an exciting year. The global automotive industry gave mixed signals of recovery and sluggishness. The overall global automotive market grew nearly 9% with Greater China and North America growing by 19.9% and 10.9% respectively. European market grew

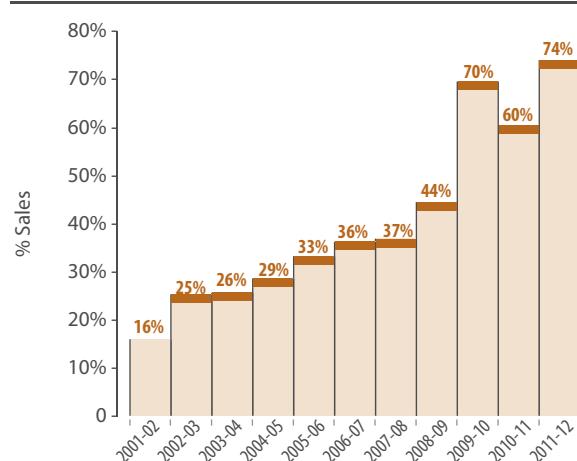
by 6.5%. However, our major customers in Europe are in Germany and the German market grew by 8.8% during the year. Indian passenger vehicle industry grew by 5% while the commercial vehicle segment grew by nearly 20%. Though the last few months of the year were full of challenges, we have grown in all the business verticals. The key to this success has been our ability to quickly adjust and breathe with the market and the trust of our customers who

NET SALES



* All charts are on Consolidated basis

SALES OUTSIDE INDIA





have supported us all along.

The year saw both expansion and consolidation of facilities. We have undertaken consolidation wherever required for streamlining the business. We are expanding and focusing on building our capacities, hence, this year also saw the establishment of a number of new facilities. We are now in all the BRICS countries excluding Russia. By expanding in emerging

and growing markets, we have further strengthened our position to support global customers and at the same time developed a more balanced global spread.

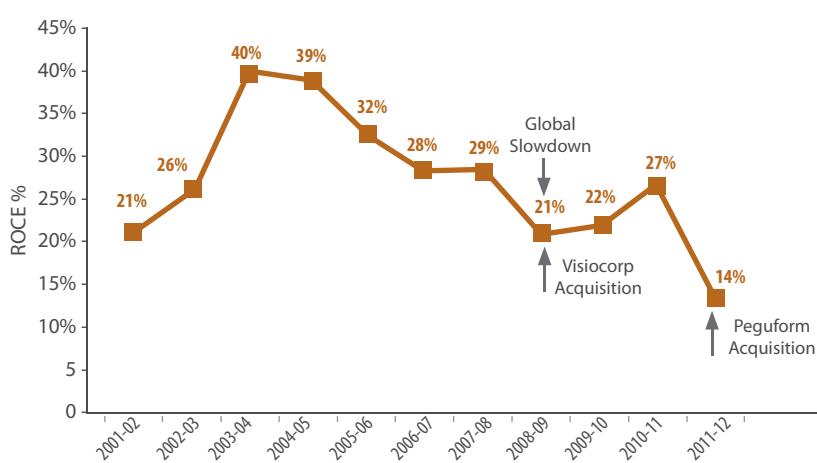
Our consolidated total sales grew by 80% and sales outside India grew by 121%. Standalone total sales grew by 27% and sales outside India grew by 76%. Profit after Tax is down by 32% due to the associated costs incurred in the acquisition of Peguform.

NEW PLANTS ADDED DURING THE YEAR GLOBALLY

Business Vertical	Facilities Added
Wiring Harnesses	7
Wires	1
Rearview Mirrors	6
Polymers	2
Metal Machining	1

“ We are now in all the BRICS countries excluding Russia. By expanding in emerging and growing markets, we have further strengthened our position to support global customers and at the same time developed a more balanced global spread. ”

ROCE



The wiring harness business grew extremely well. Along with the existing orders we have received new orders from our major customers which also include our entry in new segments. In wiring harness for passenger cars we have received new orders from Maruti Suzuki, Toyota, Nissan, Honda Siel Cars India, Skoda, Volkswagen, and Mahindra & Mahindra. In commercial vehicles we received orders from Ashok Leyland, Volvo and Tata Motors. In two wheeler segment we have received orders from Hero MotoCorp India, Honda Motorcycle and Scooter India, Ducati and Piaggio. For off-road vehicles and the non-automotive segment we have received orders from Hyundai Constructions India, TAFE, Eicher, ITL, JCB, Same Deutz, John Deere, Wright Bus, ZF, CLASS Tractor, and Komatsu.

The mirror business of MSSL done through Samvardhana Motherson Reflected constitutes 39% of the total business portfolio of the company. SMR's revenue grew by 14%. To meet the growing demand of its customers, the company has added new facilities in Hungary, Brazil, Thailand, India, Mexico, Spain and Korea for mirrors and a new facility is coming up in China. The company has made significant capital

expenditure during the year under review the returns of which would reflect in the coming year as the production ramps up. With these capacities we have created a launchpad for the future growth.

Acquisition of Peguform was the most significant development during the year. MSSL announced in July, 2011 the acquisition of 80% stake in Peguform through a JV with Samvardhana Motherson Finance Limited in which MSSL holds 51% share. The transaction was completed in November 2011. The new entity is named Samvardhana Motherson Peguform (SMP).

With this acquisition, MSSL has now entered the league of the largest automotive module suppliers in Europe and also globally. SMP is a leading supplier to major automobile manufacturers in Europe, specially the German car manufacturers. MSSL now has its own technology in plastic modules backed by the strong R&D capabilities of SMP with over 270 patents for products and also for unique process technologies. In line with our vision of becoming a globally preferred full system solutions provider, we now have the technological expertise, extended product range and global reach to support our customers with more value

added solutions across the globe.

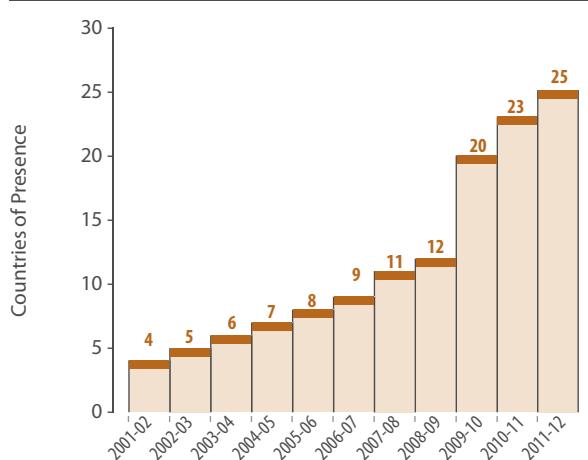
The polymer division of the company registered a record growth of 541% on consolidated basis and 22% on standalone basis. With the acquisition of Peguform, the company expanded its international customer base and has also added new products with latest state-of-the-art technology.

SMP's main customers include Volkswagen, Audi, Seat, BMW, Porsche, Daimler, Renault/ Nissan and GM.

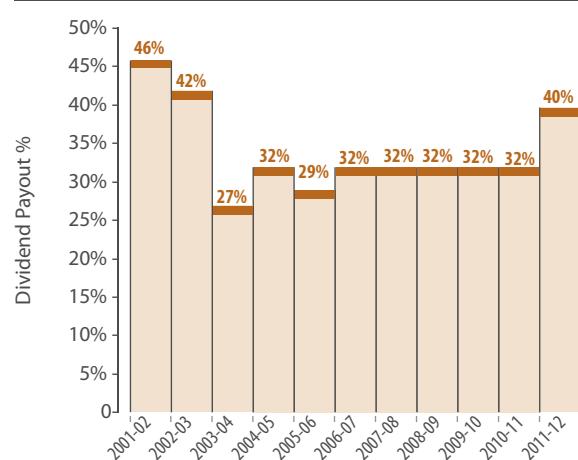
SMP prepares us for the future as with Peguform acquisition we are better positioned to serve our customers globally. The focus is now on higher level assemblies and modules. SMP's capabilities for the production and assembly of highly complex and large modules as well as its extraordinary expertise in multiple polymer and surface finishing technologies enhances the Group's general profile significantly.

MATE, the polymer division of MSSL received new orders from Hyundai, Maruti Suzuki, Ford, Nissan, Ashok Leyland, Volkswagen, Nissan, Toyota, Tata and Honda apart from the regular orders. MATE also started supplies of dashboard mouldings

COUNTRIES OF PRESENCE



DIVIDEND PAYOUT



to Daimler India Commercial Vehicles (DICV). This is the Group's /rst major entry in plastics for commercial vehicles.

With SMR and SMP we have a strong research base, working closely with our customers to bring in new features, comfort, styling and cost optimization to the automotive market place. We will continue to invest in new technologies to fulfl the changing requirements of our customers and be proactively ready for the future. We have continuously supported our customers at every level, be it entering into JVs for bringing technologies, acquiring new technologies or developing indigenous technologies for their changing technological needs.

Our endeavour is to create more value for our shareholders. We have consistently grown faster than the market and have effectively doubled the turnover twice since 2009. This growth has been achieved without any dilution and mostly from internal accruals.

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 now have 3 years to

improve the ROCE in line with our 2015 ROCE target. We have transformed our business in the past few years and today where we hold market leadership positions for our various products in different parts of the world. We have achieved and set benchmarks in quality, customer satisfaction, productivity and implementing best practices across all our units globally.

With the addition of new manufacturing facilities across the world, state-of-the-art R&D centres, and new products added to our business portfolio we are well positioned to serve our customers for their present and future requirements. I thank all the stakeholders once again for their support extended to us through all these years. We will continue to make concerted efforts to create value for our shareholders and look forward to your continued support in the coming years as always.



V.C. Sehgal

Chairman, Samvardhana Motherson Group
Vice Chairman, Motherson Sumi Systems Limited

TOWARDS VISION 2015

	Target	Achieved
	2015	2011-12
Sales	USD 5 Bn	USD 2.9 Bn
Countries of Presence	26-27	25
Dividend payout	40% of Consolidated	40% of Consolidated
ROCE	40%	14%

“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 now have 3 years to improve the ROCE in line with our 2015 ROCE target.”

Financial Highlights

CONSOLIDATED

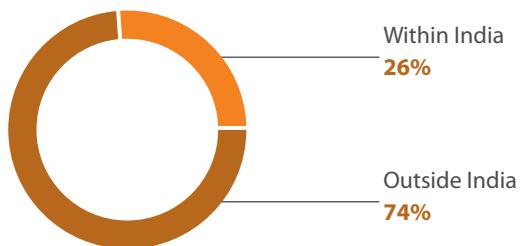
(₹ in million)

	2011-12	2010-11	% change
Sales – Net of Excise			
Within India	38,226	32,516	18%
Outside India	108,796	49,240	121%
Total Sales	147,022	81,756	80%
PBIT*	10,762	9,292	16%
Profit before Tax	4,1176,312		-35%
Profit after Tax (net)	2,596	3,908	-34%
Diluted Earnings Per Share (₹ Per Share)	6.6	10.0	-34%
Reserve and Surplus #	15,250	13,047	17%
Loan Funds	46,023	12,607	265%

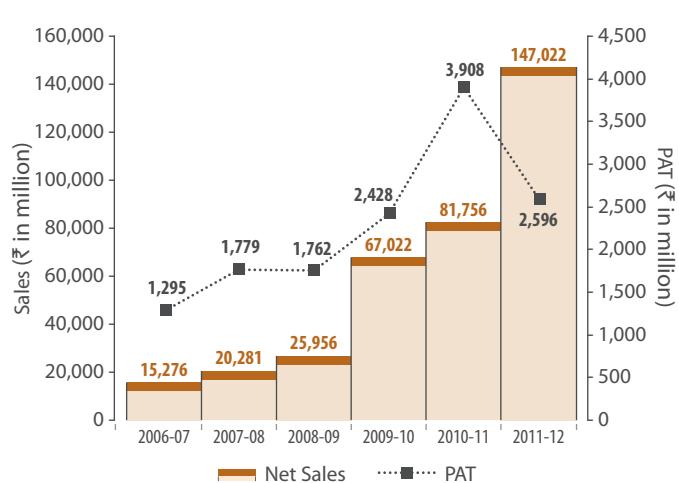
* Excluding foreign exchange fluctuation on Long Term Loans / FCCB & exceptional income / expense

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

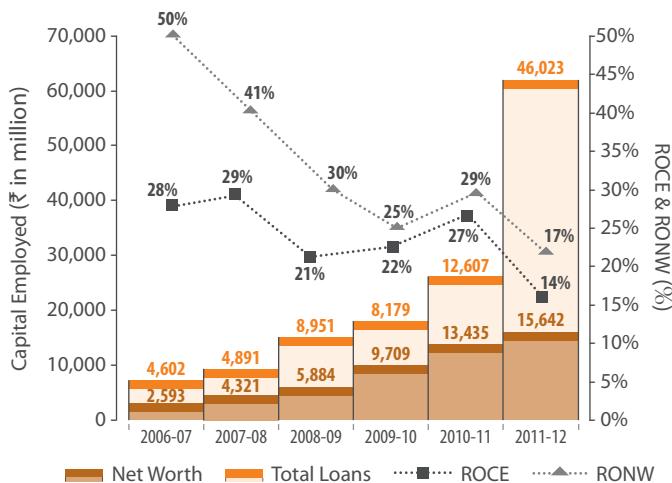
SALES BREAK-UP



NET SALES & PAT



CAPITAL EMPLOYED, ROCE & RONW



STANDALONE

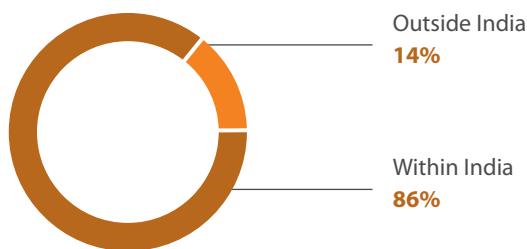
(₹ in million)

	2011-12	2010-11	% change
Sales – Net of Excise			
Within India	30,409	25,003	22%
Outside India	4,880	2,776	76%
Total Sales	35,289	27,779	27%
PBIT * Profit before Tax	6,667	5,069	32%
Profit after Tax(net)	4,345	3,945	10%
Equity Capital	3,172	2,875	10%
Diluted Earnings Per Share (₹ Per Share)	388	388	-
Reserve and Surplus #	8.1	7.3	10%
Loan Funds	10,704	8,452	27%
	1,937	7,899	19%

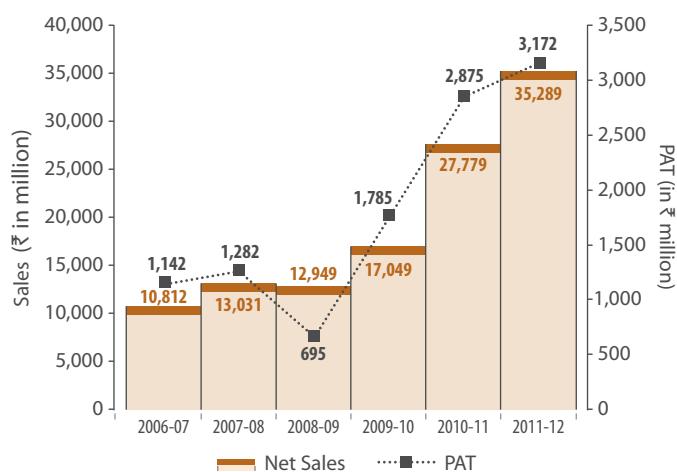
* Excluding foreign exchange fluctuation on Long Term Loans / FCCB & exceptional income / expense

Excluding reserve on amalgamation and revaluation reserve.

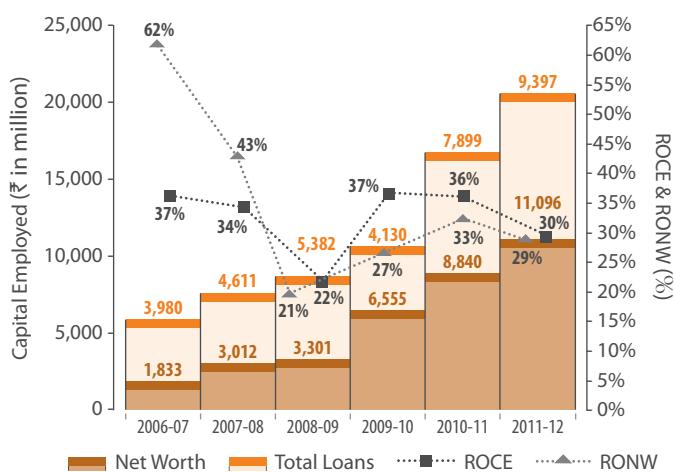
SALES BREAK-UP



NET SALES & PAT



CAPITAL EMPLOYED, ROCE & RONW



Customer Recognition

JCB INDIA



Strong Quality Commitment
(Wiring Harness Division)

JCB UK



QCIDM Supplier Performance Award
(Wiring Harness Division)

RENAULT NISSAN



Good Cost Performance
(Wiring Harness Division)



New Product Development Support
(HVAC Systems)

HONDA SIEL



Outstanding Performance in the
Category of "Cost"
(Wiring Harness Division)



Gold Award for Delivery
(Wiring Harness Division)



Winner in Kaizen Competition
(Wiring Harness Division)



Spare Parts Appreciation Award
(Wiring Harness Division)



Winner Kaizen Competition
(Polymer Division)



Spare Parts Appreciation Award
(Polymer Division)



5S Gold Award
(Polymer Division)



Spare Parts Gold Award for Quality, Cost & Delivery
(Polymer Division)

MARUTI SUZUKI



Overall Silver Award
(Wiring Harness Division)



Special Support
(Wiring Harness Division)



Local R&D Capability Development Award
(Wiring Harness Division)



Special Support
(Polymer Division)



Incoming Quality Improvement Award
(Wiring Harness Division)



Superior Performance in Capacity Enhancement
(Polymer Division)



Superior Performance in Warranty Improvement
(Polymer Division)



Superior Performance in KAIZEN
(Polymer Division)

GLOBAL PRESENCE

» THAILAND

› Products :

- Rearview mirrors (Being Established)
- Wiring Harnesses (Being Established)



› Manufacturing Plants 2



» U.K.

› Products :

- Rearview mirrors
- Wiring Harnesses



› Manufacturing Plants 2



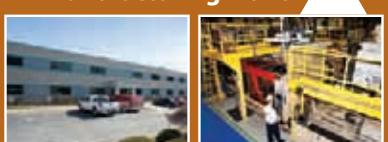
» U.S.A.

› Products :

- Rearview mirrors



› Manufacturing Plant 1



TOYOTA



Supplier of the Year Gold Award (Wiring Harness Division)



President's Award Supplier of the Year (Rear View Mirror Division)



Industry Contribution (Rear View Mirror Division)

HYUNDAI



Best Contribution Award (Wiring Harness Division)



Quality Improvement (Rear View Mirror Division)

TATA MOTORS



Excellence in Quality (Wiring Harness Division)

TELECON



Support in Aggressive Indigenization (Wiring Harness Division)

CATERPILLAR



Gold Level in Supplier Quality Excellence Process (Wiring Harness Division)

SUZUKI MOTORCYCLES



Performance Awards (Polymer Division)

MOBIS INDIA



National Top Performer for Service Parts Supply (Rear View Mirror Division)

SAE



Automotive Engineering Excellence Silver Award (Rear View Mirror Division)

KASEZ



Highest Exporter Award (Elastomer Division)

Late Mr. Mohinder Singh Gujral



We pay our homage to Mr. Mohinder Singh Gujral, who passed away on 4th May 2012. He would be fondly remembered by the entire MSSL family for his guidance and contribution to the progress of the company.

Management Discussions and Analysis

OVERVIEW

MSSL is scaling new heights with the acquisition of Peguform Group, a strategic move for redefining its presence globally as one of leading full system solutions provider to the global automotive industry. With this acquisition, MSSL has acquired advanced engineering capabilities, significant manufacturing facilities and broadened its global customer base.

This acquisition has unfolded a whole range of new opportunities by widening the Company's reach with Global Automotive OEM's, access to new geographies and leveraging different customer relationships and offering a wider portfolio of products to customers and within the group.

Now the Company has presence in over 25 countries with over 124 manufacturing facilities. It has established strong presence globally across various product lines of the automotive component industry such as wiring harnesses, polymer processing, rear view vision systems and integrated modules.

The Company has performed exceptionally well in terms of revenue growth and is completely focused towards achieving its vision of 2015.

HIGHLIGHTS

Some of the main highlights and key strategic accomplishments during 2011-12 are as follows:

1. This year marked the acquisition of 80% stake in Peguform Group, a leading full service supplier of differentiated high quality interior and exterior products for the automotive and related industries.
2. MSSL's consolidated sales rose to the new record level of US\$ 2.9 bn.
3. Exponential Growth in sales of 80% on consolidated basis and 27% on standalone basis. Even, without considering acquisition of Peguform and merger of SMIEL total sales grew by 24% on consolidated basis and 20% on standalone basis respectively.
4. SMR has shown consistent improvement in performance and has recorded the highest ever annual sales of Euro 860 million registering a growth in sales of 14%.
5. MSSL Standalone has delivered sterling performance, recorded highest ever annual sales of ₹ 35,289 million & PAT of ₹ 3,172

million even after accounting for unrealized foreign exchange loss of ₹ 552 million on restatement of long term loans.

6. SMP reports positive EBITDA for the period since acquisition.
7. MSSL continues to deliver consistent and progressive returns to the shareholders, dividend payout ratio increased to 39.5% (Previous Year 32%) of the Consolidated Profits after tax, dividend of ₹ 2.25 / share recommended on the equity shares.
8. MSSL is achieving synergies through horizontal and vertical integration, supplies Wiring Harness of ₹ 1,465 million (excluded in the reported consolidated sales of the company) to SMR during 2011-12.
9. The company incurred capital expenditure (on consolidated basis) of ₹ 11,659 million mainly for expansion of capacities.
 - MSSL Wiring Harness division has set-up new units in Orapakkam and RNSP (Chennai), Pathredi (Rajasthan), Bidadi (Bangalore), Lucknow, Haldwani and Jamshedpur where production has already started during the year. New plants being established are at Noida (India), Mexico and Thailand.
 - SMR has started commercial production and supplies from its second plant in Hungary to support German OEMs. The Plant has installed capacity of six million mirrors per annum and sale potential of Euro 150 million per annum. SMR is setting up new facilities in Brazil, Thailand, China and Pune (India) for mirror manufacturing and vertical integration, where production will commence in the coming year.
 - MSSL Polymer division's new plant set up in South Africa started commercial production during 2011-12 for Injection molded Bumpers, Interior trims and painting of parts for supplies to major OEMs in the region. In India the new plant at Tapukara commenced production and additional plant expansion was undertaken at Ford Supplier Park at Chennai. A new plant for injection molded components is being established at Sanand, Gujarat.

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

2011-12 in both segments have been as follows:

	2011-2012	Percentage of Total	2010-2011	Percentage of Total	₹ in Million	Growth in percentage
Consolidated						
Automotive	141,500	96%	77,040	94%		84%
Non Automotive	5,522	4%	4,716	6%		17%
Total	147,022	100%	81,756	100%		80%
Standalone						
Automotive	32,111	91%	25,129	90%		28%
Non Automotive	3,178	9%	2,650	10%		20%
Total	35,289	100%	27,779	100%		27%

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 Company has expanded its product portfolio in automotive segment through the acquisition of Peguform Group, an internationally operating supplier involved in development, manufacture and distribution of bumper systems, plastic components for vehicle exteriors, vehicle cockpits, dashboards and vehicle interior trims.

The contribution of automotive segment in the company's revenue has increased to 96% on consolidated basis and 91% on standalone basis. The growth in the automotive segment coupled with acquisition and variety of products offered by the company has contributed to significant increase in sales by 84% on consolidated basis and 28% 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.

MSSL sales in this segment recorded a healthy increase in revenues by 17% on consolidated basis and 20% on standalone basis.

SALES PERFORMANCE

The sales performance of the company during the year 2011-12 on consolidated and standalone basis is as follows:

Consolidated	2011-12	2010-11	₹ in Million	% change
Customers within India	38,226	32,529		18%
Customers Outside India	108,796	49,227		121%
Net Sales	147,022	81,756		80%

Standalone	2011-12	2010-11	% change
Customers within India	30,409	25,003	22%
Customers Outside India	4,880	2,776	76%
Net Sales	35,289	27,779	27%

MSSL has expanded its global footprint with the acquisition of Peguform Group and offers its customers a wide range of value added products. The Company has presence in 25 countries and conducts its operations through more than 124 manufacturing facilities supported by technical centers located globally.

MSSL has outperformed the market during 2011-12 at both domestic and global front. The consolidated sales rose by 80% to the record level of ₹ 147 billion (equivalent to USD 2.9 bn) whereas standalone sales registered a strong growth of 27%.

The Company's sale to customer outside India has got strong momentum with SMP (Peguform) and it rose by 121% on consolidated basis while on standalone basis it grew phenomenally by 76%. The company has substantially expanded its customer base globally and further strengthened its relationship with existing customers.

On the domestic front, the company witnessed a strong growth of 18% on consolidated basis and 22% on standalone basis despite of volatile and depressed market conditions witnessed by the India automotive market in 2011-12. The Company has further strengthened its market leadership position in domestic market with constant quality, efficiency and expanded customer base.

GLOBAL CAR PRODUCTION

The global production of passenger cars and commercial vehicles reached the level of 78 million units in 2011-12. The weaker than anticipated developments in the automotive industry were primarily a result of the natural disaster in Japan and Thailand. However in passenger cars, the production of smaller vehicles continued to increase due to strong recovery in automotive production in the North America and Japan/Korea markets. The highest growth rates in Europe were recorded by Germany and the countries of central and

Eastern Europe. Automotive production in Asian emerging markets also grew considerably.

Vehicle Production: Region (in numbers)	FY 2011-12			
	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar
Europe	5,311,856	4,547,833	4,970,982	5,215,442
Greater China	4,044,384	4,180,676	4,794,277	4,549,053
Japan/Korea	2,618,471	3,324,370	3,709,367	3,816,090
Middle East/Africa	510,041	575,595	622,330	529,560
North America	3,123,578	3,182,187	3,439,058	3,970,826
South America	1,138,131	1,149,004	1,006,328	952,830
South Asia	1,619,343	1,836,167	1,484,756	2,039,508
Grand Total	18,365,804	18,795,832	20,027,098	21,073,309

Overall, the automotive industry experienced a healthy recovery during second half of 2012-13 due to a general improvement in consumer demand.

INDIAN VEHICLE & COMPONENT MARKET

After achieving consistently high growth over the past few years, the Indian auto component industry faced a mix of growth and challenges during 2011-12. Increasing interest rates, inflation, fuel prices, volatile commodity market and adverse forex fluctuations couples with IR problems with some major players in the industry have contributed in compounding the challenges.

Despite the situation the passenger vehicles registered growth though in single digit. Though lower than the previous year's growth percentage, the sale of commercial vehicles and two wheelers managed a healthy double digit growth.

Figures in thousands

Segment	2011-12	2010-11	2009-10
Passenger Vehicle			
Numbers	3,124	2,987	2,351
Growth Rate	5%	27%	27%
Commercial Vehicle			
Numbers	912	753	566
Growth rate	21%	33%	36%
Two Wheelers			
Numbers	15,454	13,376	10,512
Growth Rate	16%	27%	26%

Source: ACMA Report

The long-term outlook remains positive with major global players setting bases in India for manufacturing, global sourcing as well as engineering.

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).

FINANCIAL REVIEW

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

As mentioned earlier, the results for the year 2011-12 include results of acquired entities of Peguform (together referred to as SMP Group) from the completion date i.e. November 23, 2011, hence the results are not strictly comparable with previous periods.

Consolidated	2011-12	2010-11	₹ in Million % change
Sales	147,022	81,756	80%
Other Income	2,189	2,366	-7%
Cost of Goods Sold	95,434	51,454	85%
Employee Cost	23,170	12,588	84%
Other Expenses	19,845	10,782	84%
PBIT (*)	10,762	9,292	16%
Exchange Fluctuation Loss /(Gain) on Long Term Loans / FCCB	391	(62)	-
Exceptional Expenditure / (Income) Net	809	-	-
PBT	4,117	6,312	-35%
PAT	1,965	4,431	-56%
Concern Share after adjusting Minority Interest	2,596	3,908	-34%
EPS – Diluted (₹)	6.6	10.0	-34%

*Excludes foreign exchange fluctuation on Long Term Loans / FCCB & exceptional income / expense.

During the year under review, the Company's consolidated sales hit a new record level of ₹ 147,022 million, registering an impressive growth of 80% in comparison to the previous year sales of ₹ 81,756 million. This is mainly driven by acquisition of Peguform Group.

The major raw materials used by Polymer Division of the Company are polypropylenes, polycarbonates and various grades of nylons and resins. These include decorative (leather, textile and foils), chrome, fasteners, wiring harnesses, electronics, electrical parts, die-casting, plastic and metal parts. The major raw material used in the manufacture of tools and molds is alloy steel.

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 2011-12 has increased to USD 8,485 / MT in comparison with previous year average price of USD 8,139 /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 are glass actuators, powerfolds, glass, electro-chromatic glass ("EC glass"), wiring harnesses, electronics, electrical parts, die casting, plastic parts and resins.

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 84% in 2011-12 marginally higher than growth in the sales volume of the company mainly due to recruitments for new facilities start ups and capacity expansions in India, Hungary, Brazil, Mexico, Thailand and South Africa.

The Profit before Interest Depreciation and Tax (PBIDT) increased to ₹ 10,762 million from ₹ 9,292 million during 2011-12, a significant growth of 16%. The Company is able to maintain strong profitability despite severe cost pressure due to adverse movements in forex market and volatile commodity markets.

Profit before Tax (PBT) amounted to ₹ 4,117 million as against ₹ 6,312 million during previous year.

During the year, the company has incurred exchange fluctuation loss of ₹ 391 million on account of long term loans (Previous year exchange gain of ₹ 62 million).

Exceptional expense for the year amounting to ₹ 809 million comprise of acquisition and one-time costs namely due diligence expenses, upfront and arrangers fees etc. amounting to ₹ 764 million related to acquisition of SMP Group and write off of goodwill arising on acquisition of Vacuform 2000 (Pty) Limited amounting to ₹ 45 million.

₹ in Million

Standalone	2011-12	2010-11	% change
Sales	35,289	27,779	27%
Other Income	1,360	1,122	11%
Cost of Goods Sold	21,517	17,269	25%
Staff Cost	3,454	2,573	34%
Other Expenses	5,011	4,091	23%
PBIDT (*)	6,667	5,069	32%
Exchange Fluctuation Loss /(Gain) on Long Term Loans / FCCB	552	(26)	–
Exceptional Expenditure / (Income) Net	–	–	–
PBT	4,345	3,945	10%
PAT	3,172	2,875	10%
EPS – Diluted (₹)	8.1	7.3	10%

*Excludes foreign exchange fluctuation on Long Term Loans / FCCB & exceptional income / expense.

MSSL has witnessed a strong growth in the standalone operations driven by ramp up of the new facilities, recovery in demand for earth moving equipments and merger of MSSL Global Wiring Limited, Sumi Motherson Innovative Engineering Limited and India Nails Manufacturing Limited with the Company.

During the year, the company standalone revenue grew by 27% to ₹ 35,289 million.

PBIDT registered a tremendous growth of 32%, increased to ₹ 6,667 million from ₹ 5,069 million during previous year.

PBT amounted to ₹ 4,345 million, up from ₹ 3,945 million during previous year, recording a substantial growth of 10%.

During the year, the company has incurred exchange fluctuation loss of ₹ 552 million on account of long term loans (Previous year exchange gain of ₹ 26 million).

FINANCIAL POSITION

The financial position and other highlights are as follows:

Consolidated*	2011-12	2010-11	₹ in Million % change
Net Fixed Assets	51,380	21,566	138%
Other Assets:			
- Inventory	22,496	10,376	117%
- Trade Receivables	30,127	9,560	215%
- Cash & Bank Balance	4,557	3,532	29%
- Other Assets	12,002	6,339	89%
Total Assets	120,562	51,373	135%
Liabilities (other than Loans)	50,795	20,401	149%
Net Assets	69,767	30,972	125%
Source of Funding:			
Net Worth	15,739	13,532	16%
Reserve on Amalgamation and Consolidation	2,978	2,557	–
Minority Interest	5,027	2,276	121%
	23,744	18,365	29%
Loans Outstanding:			
- Payable within one year	4,734	1,184	300%
- Short Term Loans	11,678	4,812	143%
- Long Term Loans	29,611	6,611	348%
Total Loan	46,023	12,607	265%
Capital Expenditure (Net of disposals)	10,337	7,554	37%

* The Consolidated financial position as on March 31, 2012 also includes the financial of Samvardhana Motherson B.V, which acquired Peguform group as on November 23, 2011 and the acquisition is entirely funded by debt. For further details refer to "Performance of Companies" Section under "Samvardhana Motherson B.V. (Netherlands)".

Standalone

Net Fixed Assets	13,432	10,155	32%
Other Assets:			
- Inventory	4,652	4,277	9%
- Trade Receivables	5,428	3,506	55%

₹ in Million			
Standalone	2011-12	2010-11	% change
- Cash & Bank Balance	202	358	-43%
Investment	3,704	3,439	8%
- Other Assets	2,852	3,206	-11%
Total Assets	30,270	24,941	21%
Liabilities (other than Loans)	8,018	6,940	16%
Net Assets	22,252	18,001	24%
Source of Funding:			
Net Worth	11,192	8,860	26%
Reserve on Amalgamation and Consolidation	1,663	1,242	-
	12,855	10,102	27%
Loans Outstanding:			
- Payable within one year	725	472	54%
- Short Term Loans	4,273	3,969	8%
- Long Term Loans	4,399	3,458	27%
Total Loan	9,397	7,899	19%
Capital Expenditure (Net of disposals)	3,625	3,621	0%

CAPITAL EXPENDITURE

During the year, the Company incurred capital expenditure of ₹ 11,659 million and ₹ 3,450 million on consolidated and standalone basis respectively. The significant portion of this expenditure has been funded from internal accruals. The Company had invested significant amount during past years in capacity expansion and expanding to new geographies such as Brasil, Thailand and South Africa. Now the Company is focused on leveraging the capacities to foster higher growth with relatively lower outlay of capital. We estimate capital expenditure of ₹ 7,000 million to ₹ 8,000 million during current year.

REVENUES

MSSL revenues are boosted with the acquisition of Peguform Group, a leading full service supplier of differentiated high quality interior and exterior products for the automotive and related industries. MSSL is also one of the leading global suppliers of rearview mirrors to the automotive industry and the largest manufacturers of automotive wiring harnesses for passenger cars in India. It also supplies plastic components and modules to the automotive industry globally. Other product range of MSSL comprises of rubber components for automotive and industrial applications, high precision machined metal parts, injection molding tools, HVAC Systems and vehicle electronics.

During the year, the consolidated revenues of MSSL increased by 80% to ₹ 147,022 million and on a standalone basis, the revenues increased by 27% to ₹ 35,289 million.

₹ in Million			
Consolidated	2011-12	2010-11	Growth %
Mirrors	56,611	45,386	25%
Wiring Harness	30,540	24,882	23%
Polymer Components	56,993	8,891	541%
Rubber/Metal machined & other products	2,878	2,597	11%
Total	147,022	81,756	80%

Standalone	2011-12	2010-11	Growth %
Wiring Harness	25,688	19,951	29%
Polymer Components	9,303	7,625	22%
Rubber/Metal machined & other products	298	203	47%
Total	35,289	27,779	27%

POLYMER

With the acquisition of German based Peguform Group specialized in developing, producing and distributing Polymer interior and exterior systems for the global automotive market, the Polymer division of the company transform into a major global player catering to Tier 1 requirements globally. This acquisition has facilitated comprehensive expansion in product portfolio for the division.

Samvardhana Motherson Polymer (SMP), which acquired the business of Peguform this year, is an established Global Tier 1 manufacturer of polymer-based automotive modules specialising in high quality interior and exterior products for automotive and related industries. The company is a full systems solutions provider in plastic parts from design and concept development, product development to simulation, test and model constructions and prototyping to fully integrated mass production modules.

SMP has 25 facilities including 8 module centers and 17 production sites and also 7 engineering centers across the globe in 7 countries. These facilities are full systems solutions provider in polymer processing. The company has a strong history of innovation and many firsts in the European automotive market. SMP has 274 patents & has filed for further 74 patents. SMP is one of the largest suppliers of door panels and instrument panels along with being one of the leading suppliers of bumpers in Germany and also holds a leading position in cockpit assemblies in Spain.

MSSL will further seek to achieve operational synergies through the horizontal and vertical integration of SMP's operations and products, by sourcing raw materials, inputs like wiring harnesses and smaller plastic parts etc. from its group companies where possible. The objective is to expand the business based on the combined customer base and geographic footprint significantly

The Company also made acquisition of Vacuform 2000 (Pty) Limited in South Africa specializes in manufacturing of thermo-formed products, polyurethane molded products and blow molded products majorly for automotive industry. Its key customers include major OEMs like BMW, Ford and Nissan. This will enable the Company to consolidate its position in upcoming markets in South Africa.

With 49 molding facilities across globe in India, Brazil, China, Mexico, Sharjah, Germany, Portugal, Slovakia, South Africa, Spain and Czech Republic, the contribution of polymer division rose to 39% to the Company's consolidated revenues in 2011-12. Now it is amongst the largest plastic component and module suppliers to the automotive industry in Europe and India.

Pursuant to the order of the Delhi High Court, Sumi Motherson Innovative Engineering Limited (SMIEL) is merged with the company

with effect from April 1, 2011. SMIEL manufactures high precision plastic parts specially connectors, fuse boxes and junction boxes for wiring harnesses. It also has a well-established tool room which develops molds for a wide range of applications from high precision components to complicated automobile parts with specialization in wiring harness components.

Motherson Automotive Technologies Engineering (MATE), a division of MSSL, is continuously upgrading and expanding its facilities for increasing customer requirements. MATE manufactures wide range of injection-molded components, assemblies, blow molded components and integrated modules.

MATE has 13 manufacturing facilities in India spread over Noida, Manesar, Pune, Bengaluru, Chennai and Puducherry. This division has established itself as a leading module supplier to the car manufacturers in India. It would continue to witness healthy growth because of expanding customer base and diversified product portfolio.

MATE units have been awarded with following appreciations by Customers during the year:

1. MATE – Noida unit received the "Appreciation Award" from Honda Siel Cars India Ltd. for outstanding performance in the category of "Quality, Cost & Delivery".
2. MATE – Noida received the "Winner – 1st" award from Honda Siel Cars India Ltd. for Kaizen competition held in the category of "Delivery".
3. MATE – Manesar has been awarded by Maruti Suzuki India Ltd. for excellent performance in "Capacity Enhancement" & "Special Support".
4. MATE – Bangalore unit received the recognition award in the category of "Delivery & Innovative Localization" from Toyota Kirloskar Motor Limited.
5. MATE – FSP unit, Chennai has received "Q1" award from Ford India towards quality and continuous improvement in the products supplied.

The Polymer division of the company registered a record growth of 541% on consolidated basis mainly driven by acquisition and 22% on standalone basis during 2011-12.

Polymer	2011-12	2010-11	₹ in Million Growth in Percentage
Consolidated			
Customers Within India	9,411	7,520	25%
Customers Outside India	47,582	1,371	3371%
Total	56,993	8,891	541%
Standalone			
Customers Within India	8,507	7,120	19%
Customers Outside India	796	505	57%
Total	9,303	7,625	22%

DOMESTIC

During the year, Polymer Division achieved an increase of 25% in its domestic revenues on consolidated basis. The division is focusing on adding new value added modules that require specialized engineering abilities. SMP's business of interior and exterior products for automotive industry is complementary to existing polymer processing business. It gives the division access to advanced production technologies and product range to expand the operations with the existing customer base.

MARKETS OUTSIDE INDIA

On consolidated basis the sales to the customers outside India has reached new levels and contributed a turnover of ₹ 47,582 million which represents turnover for 130 days (w.e.f. November 23, 2011) of SMP Group. This division is going to be the major contributor to the Company's turnover in the coming years. In addition to the revenues being contributed by SMP and 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), MSSL Global RSA Module Engineering Ltd. and Vacuform 2000 Pty Ltd.

OUTLOOK

- SMP is setting up Engineering Centre at Noida to provide technological support to expand the business in domestic market.
- New unit is coming up at Chennai for supplying to Ford. Commercial production for nearly 200K cars will start in coming fiscal year.
- MATE has started trial run in new facility at Tapukara in Rajasthan for catering new businesses from Maruti, Honda and other customers.
- New business won during 2011-12 from FORD, Mobis and Nissan among several others will start showing results in 2012-13.
- MSSL Global RSA Module Engineering Ltd. has incurred total capital expenditure of ZAR 201 million to set up a new facility at Automotive Supplier Park, South Africa. The commercial production and supplies has started during second half of 2011-12.

AUTOMOTIVE MIRRORS

Samvardhana Motherson Reflectec (SMR), the mirror division of the company constitutes 39% 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, Tata JLR, Volvo, BMW, Daimler and Volkswagen. SMR enjoys market share of 22.0 percent 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 a sustained focus on research and development. SMR has 587 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.

SMR has presence in 14 countries with 20 production facilities and 6,500 full-time employees as on March 31, 2012. 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.

Mirrors*	2011-12	2010-11	₹ in Million Growth in Percentage
Consolidated			
Customers Within India	2,545	3,262	-22%
Customers Outside India	54,066	42,124	28%
Total	56,611	45,386	25%

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

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. The plant was inaugurated in September 2011. The commercial production and supplies from this facility have already commenced and are in the process of ramp-up.
- SMR Greenfield plant at Brazil was inaugurated in December 2011. This would give the footprint in South America which is a large automotive market. The commercial production and

supplies from this plant are expected to start during second quarter of 2012-13.

- SMR has set up a new mirror assembly facility along with a dedicated Glass plant at Thailand for in-house glass requirement. This plant would be ready for commissioning towards second quarter of 2012-13.
- SMR has set up a new plant at Pune (India) to cater to the requirement of Western India based customers. The commercial production and supplies from this facility have commenced from first quarter of 2012-13.
- SMR is setting up Greenfield Plant at Langfang, China to support the increasing orders from customers.
- SMR new facility at Yancheng, China is under Construction for capacity expansion to support Kia Motors.

SMR units have been awarded with following appreciations by Customers during the year:

- SMR Australia has been awarded with "Supplier of the Year" by Toyota for overall excellent performance.
- SMR Chennai has been awarded with "Best Quality Improvement" by Hyundai towards quality and continuous improvement in the products supplied.

WIRING HARNESSES

The Company is a market leader in wiring harness in India and has been progressively consolidating its position. 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 37 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 21% of the Company's consolidated revenues during 2011-12. 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.

Merger of SMIEL with the Company will further strengthen the company capabilities for in-house development and manufacturing of components for wiring harness.

Wiring Harness	2011-12	2010-11	₹ in Million Growth in Percentage
Consolidated			
Customers Within India	26,110	21,677	20%
Customers Outside India	4,430	3,205	38%
Total	30,540	24,882	23%
Standalone			
Customers Within India	21,748	17,825	22%
Customers Outside India	3,940	2,126	85%
Total	25,688	19,951	29%

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 22% on standalone basis and 20% 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 record strong growth of 85% at ₹ 3.94 billion on standalone basis mainly driven by recovery in demand in global market for off road vehicles & earth moving equipments and merger of MSSL Global Wiring Limited. The total sale wiring harness outside India on a consolidated basis registered a dynamic growth of 38% at ₹ 4.43 billion. The Company has substantially expanded its customer base globally and also started supplies of wiring harness of automotive mirrors to various locations of SMR.

Outlook

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

The Company has expanded the following capacities during the year 2011-12:

- Six new plants in Haldwani, Pune and Chennai (Oorapakkam and Orgadam), Lucknow, and Jamshedpur started commercial production in 2011-12 to meet the requirements of domestic and export market.

- Two new plants are being set up at Noida and Pathredi for serving increasing customer base and demand.
- New plant set up at Chennai for PVC compounding for in-house requirement. The commercial production and supplies from this facility have commenced from fourth quarter of 2011-12.
- Plant being set up at Noida for further increasing production capacity of wires by 50,000 kms per month.
- New facility at Mexico for manufacturing of wiring harness, it will be utilized mainly for meeting wiring harness requirement within the group and supplies to non automotive customers in local and USA market. The commercial production and supplies from this facility will commence during fourth quarter of 2012-13.
- New facility at Thailand for manufacturing of wiring harness for leading OEMs in the region. This would give the footprint in South East Asia which is a large automotive market. The commercial production and supplies from this plant will commence during fourth quarter of 2012-13.

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 Donaueschingen, 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 at Chennai.

Rubber/ Metal Machined Components	2011-12	2010-11	₹ in Million Growth in Percentage
Consolidated			
Customers Within India	160	70	128%
Customers Outside India	2,718	2,528	8%
Total	2,878	2,598	11%
Standalone			
Customers Within India	153	58	165%
Customers Outside India	145	145	0%
Total	298	203	47%

Domestic & Outside India

During the year, division achieved a robust growth of 128% in its domestic revenues and 8% 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

MINES is expanding its production facility at Bengaluru, India to enhance the capacities for meeting increased demand from customers. The facility for rubber compounding and rubber molding set up at Chennai has ramped up the commercial production, this is expected to increase competitiveness of the Company in the segment.

PERFORMANCE OF COMPANIES

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

Samvardhana Motherson B.V. (Netherlands)

(Consolidated with its Subsidiaries & Joint Venture)

Introduction: Samvardhana Motherson B.V. (SMBV), wholly owned subsidiary of Samvardhana Motherson Polymers Limited (SMPL), incorporated in Netherland, together with its subsidiary Forgu GmbH (together referred to as overseas Special Purpose Vehicles) and Samvardhana Motherson Global Holdings Limited (SMGHL) acquired 80% stake in SMP Deutschland GmbH (formerly Peguform GmbH) and Peguform Iberica, SL including subsidiaries and joint ventures together with a 50% stake in Wethje Entwicklungs, GmbH and Wethje Carbon Composite, GmbH (together referred to as SMP Group). SMP specializes in developing, producing and distributing Polymer interior and exterior systems for the global automotive market. It has production facilities and engineering centers in 7 countries across the globe.

Samvardhana Motherson Polymers Ltd. is a 51% subsidiary of Motheson Sumi Systems Limited located in India. The Company has been established during the year along with Samvardhana Motherson Finance Limited to incorporate an overseas Special Purpose Vehicle company, Samvardhana Motherson B.V. (SMBV), Netherlands.

Area of Business & Industry Segment: It specializes in providing complete systems solutions in plastic parts from design and concept development, product development to simulation, test and model constructions and prototyping to fully integrated mass production modules.

Financial Position:

SMP - Consolidated	Euro in Millions	2011-12
Net Fixed Assets	328	
Goodwill on Acquisition	18	
Other Assets:		
- Inventory	152	
- Trade Receivables	217	
- Cash & Bank Balance	28	
- Other Assets	76	
Total Assets	819	
Liabilities (other than Loans)	402	
Net Assets	417	
Source of Funding:		
Net Worth	(31)	

SMP - Consolidated	Euro in Millions	2011-12
Minority Interest	56	
	25	
Loans Outstanding:		
- Payable within one year	32	
- Short Term Loans	65	
- Long Term Loans	295	
Total Loans	392	
Capital Expenditure (Net of disposals)	32	

Detail of loan outstanding is as follows:

	Euro in Millions
Acquisition Debt:*	
- Guaranteed by MSSL	98.5
- Guaranteed by SMFL	94.5
SMP Operational Debt	204.5
Total Debt	397.5

* Including debt taken at SMGHL of Euro 5.5 million for acquisition.

Performance in 2011-12:

SMP - Consolidated	Euro in Millions	2011-12
Sales	677	
PBITD (*)	9	
Depreciation	13	
Exchange Fluctuation Loss /(Gain) on Long Term Loans	(4)	
Exceptional Expenditure / (Income) Net	11	
PBT	(21)	
PAT	(24)	
MSSL share after adjusting Minority Interest	(12)	

* Excludes foreign exchange fluctuation on Long Term Loans & exceptional income / expense.

SMP contributed turnover of Euro 677 which represents turnover for 130 days (w.e.f. November 23, 2011) i.e. from the completion date. SMP recorded positive EBITDA of Euro 9 million for the period since acquisition.

Exceptional expense for the year amounting to Euro 11 million comprise of acquisition and one-time costs namely due diligence expenses, upfront and arrangers fees etc. related to acquisition of SMP Group.

Post acquisition, the company has initiated a series of measures in an effort to improve the performance of SMP.

Samvardhana Motherson Reflectec Group Holdings Limited (SMR), Jersey (Consolidated with its Subsidiaries & Joint Venture)

Introduction: SMR is a subsidiary of Motheson 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:

SMR - Consolidated	Euro in Millions		
	2011-12	2010-11	% change
Net Fixed Assets	165	126	31%
Other Assets:			
- Inventory	81	70	16%
- Trade Receivables	133	79	69%
- Cash & Bank Balance	20	33	-38%
- Other Assets	37	39	-7%
Total Assets	436	347	26%
Liabilities (other than Loans)	194	187	3%
Net Assets	242	160	52%
Source of Funding:			
Net Worth	78	67	17%
Reserve on Consolidation	20	20	0%
Minority Interest	7	6	10%
	105	93	13%
Loans Outstanding:			
- Payable within one year	25	11	139%
- Short Term Loans	44	10	323%
- Long Term Loans	68	46	49%
Total Loan	137	67	106%
Capital Expenditure (Net of disposals)	57	40	42%

Performance in 2011-12:

SMR – Consolidated	Euro in Millions		
	2011-12	2010-11	Growth in %
Sales	860	755	14%
PBIDT (*)	43	53	-19%
Depreciation	21	22	-5%
Exchange Fluctuation Loss /(Gain) on Long Term Loans	2	1	-
Exceptional Expenditure / (Income) Net	-	-	-
PBT	15	27	-46%
PAT	6	16	-64%
MSSL share after adjusting Minority Interest	3	8	-66%

* Excludes foreign exchange fluctuation on Long Term Loans & exceptional income / expense.

SMR revenue registered a remarkable growth of 14% at € 860 million for the fiscal year ended March 31, 2012 from € 755 million for the fiscal period 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 launch of new customer programs. SMR sales in Europe has exponentially increased, which was contributed largely by increased sales in the

Hungary. SMR has setup 2nd plant at Hungary and started supplying to German OEMs during the year for the business won post acquisition.

SMR profitability was under pressure during 2011-12 due to initial start up cost incurred by the Company for new plants at Hungary, Brasil and Thailand. SMR Hungary 2nd plant started supplies during third quarter of 2011-12 whereas Brazil & Thailand plants are scheduled to be operational in financial year 2012-13. SMR recorded PBT of Euro 15 million in comparison with Euro 27 million during previous year. PAT at Euro 6 million in comparison with Euro 16 million during previous year. The ramp-up of production at new Hungary plant and upcoming facilities will further boost the revenue and improve the profitability in 2012-13.

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.

The company also supplies wiring harness for automotive mirrors to various locations of SMR.

Certifications: ISO/TS 16949:2012

Performance in 2011-12: The Company registered a phenomenal growth of 87% in revenues, Euro 28 million as compared to Euro 15 million in the previous year. The Company is able to expand its customer base and capitalize on the increasing demand from construction industry for material handling equipment and industrial forklifts. The Company has also ramp up the supplies of wiring harness to various locations of SMR, accomplishing group strategic goal of vertical backward integration. The company has received "Supplier of the Year" award from one of its major customer NACCO Materials Handling Group Inc.

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 2011: The Company recorded a dynamic growth of 53.84% during 2011 after strong recovery in revenues during previous year. The Company achieved revenue of GBP 10 million as compared to GBP 6.5 million during previous year.

Motherson Wiring System (FZE)

Introduction: The Company is a 100% subsidiary of Motherson Sumi Systems Ltd. and is located in SAIF Zone, Sharjah, UAE. The Company was established as a joint venture company, during previous year joint

venture was closed and the company discontinued business due to its customer shifting its business base back to Europe. The facilities of MSWS are henceforth utilized by Group Company for making wiring harness for the mirror business of the Group. The Company is evaluating new business opportunities.

Certifications: ISO/TS-16949:2009.

Performance in 2011-12: The Company recorded revenue of Euro Nil as compared to Euro 6 million of the previous year.

Motherson Electrical Wires Lanka Private Limited

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

Area of Business & Industry Segment: The Company specializes in the manufacturing of wires for automotive applications. It supplies wires to different manufacturing locations of the Group.

Certifications: ISO 9001:2008

Performance in 2011-12: MWL achieved revenue of US\$ 33 million as compared to US \$ 32 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 2011-12: The Company achieved a strong growth in revenue by 21% to Euro 5.4 million for the current year, as compared to Euro 4.5 million of the previous year. The Company is in the expanding mode in terms of infrastructure and existing business. The Company has received "Quality Performance" rating from one of its major customer Continental Automotive Corporation.

The Company has started supplying components to various locations of SMR during 2011-12.

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 2011: The revenue of the Company remained flat at Euro 6 million as compared to the previous year Euro 7 million. The Company has received "Zero PPM" rating from one of its major customer ZF Lenksysteme.

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 2011: The Company has generated revenue of Euro 8 million as compared to Euro 7 million during previous year, recording a growth of 6%. The Company has received "Q1" award from FORD towards quality and continuous improvement in the products supplied.

Motherson Elastomer Pty Ltd.

Introduction: The Company is an 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 16949:2009, ISO 9001:2008, ISO 14001:2004

Performance in 2011-12: During the year, the company achieved a turnover of AUD 25 million as compared to AUD 34 million in the previous year. The previous year figure is for fifteen months as the Company has changed its accounting year end from December to March.

MOTHERSON ORCA PRECISION TECHNOLOGY GmbH

Introduction: The Company is a subsidiary of Motherson Sumi Systems Ltd. and is located in Germany. During the year, MSSL increased its shareholding in the Company to 95.1% from 51% during previous year.

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

Performance in 2011: During 2011, the Company has further strengthened its customer base and delivered a dynamic growth of 45% in revenues at Euro 14 million as compared to Euro 9 million in the previous year.

Global Environment Management (FZE)

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 2011: The revenue of the Company remains flat 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 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 total capital expenditure of ZAR 201 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. There is a delay in start of commercial production due to floods in Thailand obstructing supplies of components to OEMs, consequently commercial production started during the second half.

South Africa's automotive industry is a source for the manufacture and export of vehicles and components to the global automotive industry. The component industry contributes approximately 2% of the country's GDP and looking forward to strong growth as export potential continues to increase. The Company expects to reap the full benefits of existing opportunities and future growth.

Performance in 2011-12: The Company has started commercial production / supplies and in the first year of operations revenue stands at ZAR 109 million. The Company is further expanding relations with strategically important customers with potential for 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: The Company supplies wiring harness for heavy commercial vehicles.

Performance in 2011-12: The Company has ramp up the supplies and achieved revenue of JPY 1,560 million during its second year of operations as compared to JPY 139 million in the previous year.

Vacuform 2000 (Pty) Limited

Introduction: MSSL has acquired 51% holding in Vacuform 2000 (Pty) Limited incorporated in South Africa and having its manufacturing facility at Rosslyn, South Africa.

Area of Business & Industry Segment: The Company specializes in manufacturing of thermo-formed products, polyurethane molded products and blow molded products majorly for automotive industry. The company supplies components to all leading automotive OEMs present in the region. The Company is a BBBEE entity registered level 2 and enjoys the benefits of preferential procurement, privileges and support from automotive, financial & other Institutions. This acquisition has strengthened the presence of group in South Africa.

Performance in 2011-12: The Company achieved revenue of ZAR 30 million during its first year of operations with the group.

MSSL México, S.A. De C.V.

Introduction: The Company is a 100% subsidiary of Motherson Sumi Systems Limited and is proposed to be located at San Luis Potosi, Mexico.

Area of Business & Industry Segment: MSSL is setting up a new facility at Mexico for manufacturing of wiring harness. This facility will be used mainly for meeting wiring harness requirement within the group and supplies to non automotive customers in local and USA market. This facility is strategically located for supplying just in time and proximity with the customers in USA market.

MSSL WH System (Thailand) Co.

Introduction: The Company is a 100% subsidiary of Motherson Sumi Systems Limited and is proposed to be located at Hemaraj Eastern Seaboard Industrial Estate, Rayong Province, Thailand.

Area of Business & Industry Segment: The Company is setting up a new facility at Thailand for manufacturing of wiring harness for leading OEMs.

Thailand is a regional manufacturing hub and supplier for many of the world's largest auto makers. Thailand's auto industry is the most developed and largest in Southeast Asia, with a combined capacity to produce more than 1 million vehicles per year. The Company expects to reap the full benefits of existing opportunities and future growth.

MSSL GmbH

Introduction: The Company is a 100% subsidiary of Motherson Sumi Systems Limited. MSSL GmbH is located in Gelnhausen near Frankfurt, Germany.

Area of Business & Industry Segment: The Company supplies plastic components to Tier 1 customers and also acts as the holding company and corporate office providing support to the European entities.

Performance in 2011: The Company achieved a total turnover of Euro 2.5 million including service income as compared to Euro 1.4 million during previous year.

MSSL Ireland Pvt. Ltd.

Introduction: The Company is a 100% subsidiary of Motherson Sumi Systems Limited located at Enniscorthy, Ireland.

Area of Business & Industry Segment: The Company 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.

Performance in 2011: The Company achieved a turnover of Euro 0.3 million including service income as compared to Euro 0.5 million during previous year.

MSSL (S) Pte Ltd.

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

Area of Business & Industry Segment: 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 Australia Pty. Ltd.

Introduction: MSSL Australia is an 80% subsidiary of Motherson Sumi Systems Ltd. located at Australia.

Area of Business & Industry Segment: The Company was supplying door trims to automotive industry but subsequent to expiry of contract operations are closed. Now it is functioning as the holding company and corporate office providing support to the Australian entities.

MSSL Investment Pty. Ltd.

Introduction: The Company is an 80% subsidiary of Motherson Sumi Systems Ltd. through MSSL Australia Pty. Ltd. located at Australia.

Area of Business & Industry Segment: The Company's principal activities consist of providing land and building on lease at Bendigo to its fellow subsidiary Motherson Elastomers Pty Ltd.

MSSL s.r.l. Unipersonale

Introduction: The Company is a 100% subsidiary of Motherson Sumi Systems Limited located at Pontedera, Italy.

Area of Business & Industry Segment: The Company provides engineering, design and prototype services, mainly to wiring harnesses customers in Europe.

MSSL Mauritius Holdings Ltd.

The company is a 100% subsidiary of Motherson Sumi Systems Ltd. and is located in Mauritius. The Company is holding investments in Woco Motherson Limited (FZC) Sharjah, MSSL Ireland Pvt. Limited, Ireland, Global Environment Management (FZC), Samvardhana Motherson Global Holdings Ltd, MSSL Global RSA Module Engineering Limited and Vacuform 2000 (Pty) Limited.

MSSL Handels GmbH

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 otherwise consider for closure.

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

	MSSL Holding	Capital Employed		Net Sales		Profit after tax		Capital Expenditure	
		2011-12	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12
Kyungshin Industrial Motherson Ltd.	50%	1,353	1,404	6,916	6,131	411	463	38	16
Woco Motherson Ltd. (FZC)	33.33%	123	122	311	304	70	68	3	2
Woco Motherson Elastomer Ltd.	33.33%	243	216	374	291	27	25	29	12
Woco Motherson Advanced Rubber Technologies Ltd.	33.33%	341	356	578	529	113	154	34	37
Calsonic Kansei Motherson Auto Products Ltd.	49%	482	358	1,889	1,437	42	42	7	18
Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd.	50%*	1,150	971	2,252	1,713	121	107	51	66
Celulosa Fabril S.A. (include its 100% subsidiary Modulos Rivera Alta S.L.U.)	50%**	1,852	-	1,191	-	27	-	227	-

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

** Held by Company through its subsidiary SMP

Kyungshin Industrial Motherson Limited (KIML)

Introduction: KIML is a joint venture between Kyungshin Corporation (KIC), 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 2011-12: KIML recorded a growth of 13% at turnover of ₹ 6,916 million as compared to ₹ 6,131 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 2011" by Hyundai Motor India Ltd. for excellent performance in engineering, delivery 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 2011: WML achieved a flat turnover of Euro 5 million as compared to Euro 5 million in the previous year. In calendar year 2011, the company distributed a total dividend of Euro 1.20 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 2011-12: The Company recorded a healthy growth in revenues of 29% at ₹ 374 million as compared to ₹ 290 million of the previous year.

WOCO Motherson Advanced Rubber Technologies Ltd.

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

Area of Business & Industry Segment: The Company focuses on

European automotive and auto component manufacturing. The range includes pedal parts and solid silicon articles for acoustic applications besides manufacturing and exporting rubber, rubber to metal and rubber to plastic bonded parts.

Certifications: ISO/TS 16949:2009, ISO 14001- 2004

Performance in 2011-12: The revenue of the Company stands at ₹ 578 million as compared to ₹ 528 million of the previous year. The Company has been awarded "Top Exporter Award for 2010-11 for fifth 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 2011-12: The Company achieved revenue of ₹ 1,888 million as against ₹ 1,437 million in the previous year registering a strong growth of 31%. 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. The Company has been awarded in recognition of "New Product Development Support" by Renault Nissan.

HUMAN RESOURCE

Human Capital is the most important element of competitive advantage in organizations. This intangible asset comprises of all the competencies of the people within the organization. MSSL greatest asset is these competencies in the form of various skills – education, experience, potential and capacity of each employee.

Employee commitment is the greatest asset of MSSL. The unmatched commitment and ownership that employees have towards the organization has translated into the growth of the Company over the years. MSSL focuses on recruiting and retaining the best talent in the industry. Importance is given to a proper induction of employees to familiarize them with the Company and its norms. It provides a sense of belongingness and ownership towards the organization. Developing the existing human capital in the organisation is the major challenge and this determines the future competitive strategies. There are various development programs at all levels to cater to the growing competence and for the Senior Management, Leadership Development Programs are institutionalized.

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. 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 194 quality circles operating within units and divisions. The winners in the annual Samvardhana Motherson Quality Circle Convention were Navoday Quality Circle from SAKSs Ancillaries. SMG has 394 quality circles operating within the Group, 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 Garv Quality Circle from MATE, Navodaya Quality Circle from SAKS Ancillaries and Manthan quality circle from SMIEL won the Gold Award in the 22nd state level convention of Quality Circle Forum of India Delhi chapter. Khoj and Lakshya Quality Circles from MATE, Jagriti & Navjeevan quality circles from WMEL and Ujala, Sahyog, & Chetna quality circles from SMIEL have won the silver trophy in the same competition. In the 25th National Convention on Quality Concepts (NCQC - 2011), Manthan quality circle from SMIEL has won "Excellence" trophy. In Honda Siel Cars India Supplier Club North Chapter 2011, Shakti the Quality Circle of MATE got the appreciation award and in the same competition Preerna quality circle from MSSL was the "1st Runners up". In Maruti Suzuki India limited Quality Circle Competition Disha Quality Circle from MSSL was the 1st Runners up.

The organization adopts various welfare measures for employees to enhance their sense of belongingness to the organization. The Company arranges to give to its employees and their families insurance against disease/ accident. To increase employee motivation, the company organizes extra- curricular activities which involve employee's participation outside the ambit of their jobs. There are cultural programs 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.

With the global reach and expanse of MSSL, strengthening the "WE" feeling helps in developing synergies amongst employees.

MSSL today has more than 124 facilities spread across 25 countries in five different continents. Working with people from 25 different countries is a challenge due to the huge diversity in the workforce. Each region has its own methodology of work and exposure to different methodologies of work across the globe has helped diversify the outlook of the company and efforts are made to adopt the best practices from each area in its work culture. A better work culture within the organization translates into better delivery to customers which results in satisfied customers.

ENVIRONMENT, HEALTH AND SAFETY (EHS)

As an organization, MSSL realizes the importance of responsible

Environment, Health and Safety (EH&S) management to its growth, profitability and long term success. Guided by the values of its Corporate Social Responsibility codes, every employee at MSSL is committed to meeting the highest standards of corporate citizenship. The Human Resource Management at MSSL assumes the overall responsibility for employee health and safety. At a more granular level, departmental heads and supervisors are responsible for maintaining safe working conditions in their respective departments and units, most of which are accredited with ISO 14001 certification.

Armed with the objective of protecting the health and safety of its employees, safeguarding the environment, and creating a long-lasting, positive impact on the communities where it does business, the HR team conducts the EHS Program to educate employees about safety programs, make them aware of the Company's health and safety policy, and conduct formal safety training for all.

To re-affirm its commitment towards EHS, MSSL observed a Safety Week from 4th March 2011 - 10th March 2011 across all of its units. The main objective of the week was to "Make the workplace Safe, Secure & Injury Free". The week saw a series of programs and activities including safety training sessions for staff, bus drivers, ambulance drivers, forklift drivers etc. Similar safety awareness training was also imparted to external contractors' services such as the canteen, housekeeping & security personnel. Mock drill sessions were carried out for fire fighting. Other activities carried out during the week included display of safety banners, distribution of safety badges, a quiz competition on safety measures as well as a safety march for the workers on the shop floor of various units. All external contractors were also given a brief about safety norms. In addition, Advanced Fire Fighting Technique cylinders were made available to all units.

A safe and healthy workplace being one of the highest priorities for MSSL, safety audits are carried out at regular intervals in all the units. A training module, designed for new employees, gives an insight into the safety norms to be followed and be aware of. Work permits to employees are issued which cover all aspects of safety before, during and after the work.

MSSL's commitment to the environment is grounded in its core values. Global Environment Management, a MSSL subsidiary, is dedicated towards developing products for improving the environment. Its 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 its waste away from landfill, into compost. Aerobin composts aerobically, a decomposition process that does not emit dangerous greenhouse gases as when organic waste is decomposed aerobically in a landfill. This reduces household carbon emissions and contributes to environmental sustainability. The organic compost and diluted Leachate produced by the Aerobin can be used as a natural soil conditioner in the garden also.

MSSL also conducts various conservation drives, such as reducing paper wastage and using the best pollution control equipment. A special team, called the 'Green Team', has been created to take green

initiatives such as using environmental friendly products etc. the Company is also fueling a tree plantation movement in its units 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

To remain competitive in today's Global scenario automobile manufacturers have to focus on designing vehicles that cater to the requirements of consumers in both mature and emerging markets with focus on user-friendly vehicles that have, more features with advanced technologically at the same time are cost competitive. Companies are looking to Brazil, Russia, India, China and South Africa (BRICS) as the most important economies to drive growth.

With its technology capabilities, strong research and development and a global presence having over 124 manufacturing facilities in 25 countries MSSL is well positioned to meet the existing and future requirements of its customer's globally through customized solutions for each customer and each region. The facilities are near the main customer clusters. This enables the Company to service all its customers across the world efficiently, supported by robust logistics management. MSSL has further strengthened its presence in Brazil, India, China and South Africa, in the BRICS countries apart from only Russia.

With a global footprint MSSL now has the reach and scale where it is positioned to leveragethe best opportunities in raw material sourcing and manufacturing in best suited currency region.

The philosophy of increasing content per car has a huge potential for the Company at all times to come as customers prefer a single window solution to their product requirement. Synergies between group companies play a very important role as they allow the group companies to integrate vertically and supply relevant products to each other globally with better control on cost and quality. It also aids in selling products of other group companies to existing customers and introduce technologies and products from one region to another.

With strong technological capabilities of SMP and SMR, MSSL is capable of developing indigenous technology and also focus on efficient and optimal production. All these differentiators position MSSL as a preferred full system solutions provider for its customers worldwide.

CORPORATE SOCIAL RESPONSIBILITY – CSR

MSSL understands the overall social responsibility it has towards

the communities where it does business. And for a business to take responsibility for its actions, it must be fully accountable. MSSL believes that it is not only accountable to its shareholders but also 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.

In line with its corporate philanthropy principles, the Company aims to empower these communities at large and underprivileged children in particular. It provides aid to several organizations working for the betterment of underprivileged children. MSSL is associated with a number of NGOs and institutions working in the fields of primary education and overall development of underprivileged children. It provides support to organizations that take care of children without paternal care and children of families in difficult circumstances.

MSSL also supports an NGO that works for the cause of children with special needs. The Company extends its support to these special children by organizing sale-cum-exhibitions 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 also extends its support to orphanages and old age homes. In addition, MSSL particularly supports institutions that take care of the underprivileged girl child.

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

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

Blood donation camps, in association with Rotary Blood Bank, are also organized in the Company premises at regular intervals. MSSL employees have always come forward in huge numbers for this noble cause.

The Company lays special emphasis on using environment friendly products. It continuously strives to strike a symbiotic balance with the environment and focuses to imbibe such green initiatives, such as tree plantation drives, in all aspects of its business activities.

The Company tries to integrate business, environment and social factors in its day to day functioning and make it a continuous process to leave a positive and long-lasting impact on the society where it operates.

**Directors' Report,
Report on Corporate Governance
and Financials**

Directors' Report

To the members,

Your Directors have the pleasure in presenting the 25th Annual Report together with the audited accounts of the Company for the financial year ended March 31, 2012.

FINANCIAL RESULTS

The summarized financial results for the year ended March 31, 2012 and for the previous year ended March 31, 2011 are as follows:

Particulars	(₹ in Million)			
	Standalone		Consolidated	
	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2012	Year ended 31.03.2011
Gross Revenue from operations	38,879	30,840	151,381	85,405
Net Revenue from operations	35,718	28,236	147,766	82,491
Other Income	881	756	1,327	1,607
Profit before depreciation, interest, tax and exceptional items	6,065	5,059	10,254	9,277
Less: Depreciation	1,172	830	3,796	2,465
Less: Interest (net)	548	284	1,531	496
Less: Exceptional Items	–	–	809	–
Profit Before Tax	4,345	3,945	4,118	6,316
Less: Provision for Tax	1,173	1,070	2,153	1,885
Less: Minority	–	–	(631)	523
Profit after tax	3,172	2,875	2,596	3,908
Add: Balance brought forward	3,097	1,766	7,071	4,724
Profit available for appropriation	6,269	4,641	9,667	8,632

OPERATIONS AND PERFORMANCE

On consolidated basis for the year 2011-12, your company achieved total revenue of ₹ 147,766 million resulting in a growth of about 79% over its revenue of ₹ 82,491 million of the previous financial year ended March, 2011. Net profit for the year at ₹ 2,596 million was lower by 33.5% over the previous year's net profit of ₹ 3,908 million.

On standalone basis for the year 2011-12, your company achieved total revenue of ₹ 35,718 million resulting in a growth of about 26% over its total revenue of ₹ 28,236 million of the previous financial year ended March, 2011. The profit after tax for the year ended March, 2012 at ₹ 3,172 million was higher than 10.33% from the previous financial year ended March, 2011 at ₹ 2,875 million.

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

MERGER / AMALGAMATIONS & CHANGES IN THE CAPITAL

During the year, MSSL Global Wiring Limited, India Nails Manufacturing Limited, both wholly owned subsidiaries of the Company and Sumi Motherson Innovative Engineering Limited have been merged with

the Company pursuant to the Order dated January 30, 2012 of the Hon'ble High Court of Delhi.

During the current Financial Year 2012-13, your Company has allotted 4,420,360 equity shares of Re. 1/- each to the shareholders of erstwhile Sumi Motherson Innovative Engineering Limited consequent upon merger with the Company. As on March 31, 2012 this is shown as Share Capital Suspense in financial statements. After this allotment, the paid-up capital of the Company has been increased to ₹ 391,964,160/- divided into 391,964,160 equity shares of ₹ 1/-.

DIVIDEND

Based on the Company's performance, the Directors have recommended payment of dividend of ₹ 2.25 per share of ₹ 1/- each for the financial year ended March 31, 2012 (previous year ₹ 2.75 per share of ₹ 1/- each) to the equity shareholders. The dividend, if approved by the members will be paid on or after September 10, 2012 and the total cash outflow on account of dividend including dividend tax of ₹ 1,035 Million resulting in a payout of 32.6% of the standalone profits of the Company and 39.9% of the consolidated profits of the Company. This is in line with the Company Stated Policy of 40% dividend pay out ratio.

The Directors have also recommended for approval of the members a dividend of ₹ 0.80 per share on 10,000,000 (Ten Million) 8% redeemable preference shares face value of ₹ 10/- each for the financial year 2011-12 (till 28.03.2012 i.e. date of redemption) allotted by erstwhile Sumi Motheson Innovative Engineering Ltd., now merged with your Company with appointed date 01.04.2011.

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 ₹ 6,000 Million.

FIXED DEPOSITS

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

STRATEGIC ACQUISITION

During the year 2011-12, the Company has acquired Peguform Group, Germany through Samvardhana Motheson Polymers Limited, a Joint Venture Company where the Company holds 51% stake. The acquisition has been completed on November 23, 2011.

Peguform has a strong presence in Europe, supplying to major premium German brands. The company is one of the market leaders of bumpers in Germany and holds a market leader position in Cockpit Assemblies in Spain. It has one of the largest state-of-the-art painting facilities in Europe.

With this acquisition, Motheson Sumi Systems Limited has become one of the largest supplier of door instrument panels in Germany.

DIRECTORS

Your Directors would like to inform you with utmost regret that Mr. M.S. Gujral, Chairman and Independent Director of the Company, had left us for his heavenly abode on May 4, 2012. Directors of the Company have expressed the deepest condolences on his sad demise and placed on record the valuable services and guidance rendered by him during his tenure as an Independent Director and the Chairman of the Board of Directors.

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company Mr. L.V. Sehgal, Director of the Company retire by rotation and being eligible, offer himself for reappointment.

M/s. Samvardhana Motheson Finance Limited (SMFL), a Joint Venture Partner and Promoter of your Company has nominated Mr. Yoshiki Kishimoto on the Board of your company in the casual vacancy caused by the resignation of Mr. Hiroto Murai w.e.f. 02.07.2012.

Your Directors while welcoming Mr. Yoshiki Kishimoto on the Board of the Company, placed on record, their appreciation for the valuable services rendered by Mr. Hiroto Murai during his tenure as a Director of the Company.

Had Mr. Hiroto Murai continued in the Office, he would have been

retiring at the ensuing Annual General Meeting. Therefore, Mr. Yoshiki Kishimoto holds the Office of the Director up to the date of the ensuing Annual General Meeting. Notice has been received from the member proposing his appointment as Director of the Company at the Annual General Meeting. Your Directors recommend his appointment.

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- That in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departure were made for the same;
- That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for year ended on that date;
- That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That Directors have prepared the annual accounts on a going concern basis.

AUDITORS 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 ₹ 4,778 million as against ₹ 2,605 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, BSE Limited, Delhi Stock Exchange Limited and Ahmedabad Stock Exchange Limited. The listing fees for the year 2012-13 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 : August 09, 2012

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,
- Proper ventilation and use of heat resistant building material to minimize AC load in office areas,
- Use of recyclable material, and avoid building materials which involves tremendous use of energy while processing.

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

Company carried out R&D in the field of power distribution in automobiles. The focus was on optimum power distribution with adequate protection measures. Company also explored the possibilities of using alternate insulating material for high temperature wires and cables for use in high heat zone in automobiles.

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

Some of the products developed during the year are already being tried in the upcoming models of several car makers and they shall be in mass production later this year.

3. Future plan of action

Company will keep focusing on the development of new parts required for EEDS in a car. This bringing out unique and cost effective solutions for the future developments.

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 : ₹17 Million
- b) Revenue : ₹161 Million
- c) Total : ₹178 Million
- d) Total R&D expenditure is 0.50% 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.

Efforts in brief, made towards technology absorption, adaptation and innovation –

Company kept a close association with collaborator for acquiring new technologies in the field of product and processes to cater to the needs of Indian automotive manufacturers.

Benefits derived as a result of the above efforts –

Company made significant progress in meeting demands of latest technological needs of Indian car makers by providing them reliable technology, which gave company an edge in the competitive market.

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 ₹ 4,778 million.

2.	Total foreign exchange used and earned	(₹ in million)
a.	Total Foreign exchange earned	5,376
b.	Total Foreign exchange used	13,539

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 : August 09, 2012

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 31.03.2012 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 *	10	5	1
Mr. Toshimi Shirakawa	Non-executive Director \$	1	1	—
Mr. Hiroto Murai #	Non-executive Director *	1	—	—
Maj. Gen. Amarjit Singh (Retd.)	Independent Director	1	3	1
Mr. Arjun Puri	Independent Director	1	2	—
Mr. Hideaki Ueshima	Non-executive Director \$	—	1	—
Mr. Laksh Vaaman Sehgal	Non-executive Director *	7	4	—
Mr. Pankaj Mital	Whole-time Director/Chief Operating Officer*	2	1	—

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

\$ Nominee Directors of Sumitomo Wiring Systems Ltd. (SWS)

@ Passed away on 4th May, 2012.

Resigned from the Directorship of the Company w.e.f. 2nd July, 2012 and in his place Mr. Yoshiki Kishimoto has been appointed as a Director of the Company.

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 eight times during the financial year 2011-2012 : (i) April 28, 2011 (ii) May 25, 2011 (iii) July 13, 2011 (iv) July 29, 2011 (v) September 2, 2011 (vi) October 15, 2011 (vii) November 5, 2011 and (viii) February 13, 2012.

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	8	Yes
Mr. V. C. Sehgal	8	Yes
Mr. Toshimi Shirakawa	4	Yes
Mr. Bimal Dhar*	4	Yes
Mr. Hiroto Murai	–	–
Maj. Gen. Amarjit Singh (Retd.)	8	Yes
Mr. Arjun Puri	7	Yes
Mr. Hideaki Ueshima	8	Yes
Mr. Laksh Vaaman Sehgal	7	Yes
Mr. Pankaj Mital	4	Yes
Mr. Futoshi Urai (Alternate Director to Mr. Hiroto Murai) [#]	5	No

* ceased as a director w.e.f. 02.09.2011 due to his unwillingness for re-appointment as a director.

resigned w.e.f. 13.02.2012

REMUNERATION OF DIRECTORS

The details of the payments made to the Directors during the financial year ended March 31, 2012 are as follows:

Name of the Director	Gross remuneration (₹)	Sitting fee* (₹)	Total (₹)
Mr. M. S. Gujral	Nil	2,40,000	2,40,000
Maj. Gen. Amarjit Singh (Retd.)	Nil	2,40,000	2,40,000
Mr. Arjun Puri	Nil	2,20,000	2,20,000

*Includes sitting fees paid for committee meetings

Name of the Director	Salary	Amount (in ₹)
Mr. Pankaj Mital	Basic salary	49,24,836.00
	Bonus	9,84,967.00
	Other benefits	13,23,981.00
	Total	72,33,784.00
Mr. Toshihiro Watanabe @	Basic salary	40,000.00
	Special Allowance	64,800.00
	Bonus	–
	Other benefits	63,950.00
	Total	1,68,750.00

The period of service of Mr. Pankaj Mital as Whole-time Director as approved by the members is three years from 01.04.2011 and can be terminated by either party giving three month notice in advance.

@ Resigned from the directorship as well as whole-time directorship w.e.f. 25.04.2011.

AUDIT COMMITTEE

The Audit Committee of the Company comprises the majority of Independent Directors. The members of the Audit Committee met four times during the financial year 2011-12 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 25, 2011 (ii) July 29, 2011 (iii) November 5, 2011 & (iv) February 13, 2012.

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	4
Maj. Gen. Amarjit Singh (Retd.)	Member	Independent	4
Mr. Toshimi Shirakawa	Member	Non-executive	2
Mr. Arjun Puri	Member	Independent	4

* Passed away on 4th May, 2012.

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:

PARTICULARS OF THE PAST THREE AGMS

Annual General Meeting	Date	Time	Venue	Special Resolutions passed
22nd	September 24, 2009	11:30 A.M.	FICCI Golden Jubilee Auditorium, New Delhi	Revision in 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	—
24th	September 2, 2011	11:30 A.M.	MPCU Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi	—

- During the year under review, an Extra-ordinary General Meeting of the Company was held on 5th December, 2011 and following Special Resolutions were passed:
 - Issue of Equity Shares and/or any other Equity related instruments through Qualified Institutions Placement ("QIP"),
 - Issue of Equity Shares to the Promoter, and
 - Issue of Foreign Currency Convertible Bonds (FCCBs) to the Promoter

Name	Designation	Executive/ Non-executive/ Independent
Mr. M.S. Gujral #	Chairman	Independent/Non-executive
Mr. Pankaj Mital	Member	Executive
Mr. Hideaki Ueshima	Member	Non-executive

Passed away on 4th May, 2012.

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 2011-2012 was 77547 as compared to 50527 during 2010-2011.
- As on March 31, 2012, there are no equity shares pending for transfer.

INVESTOR RELATIONS

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

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

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

- During the year under review, the Company has passed Special Resolution which relate to issuance of Corporate Guarantee in favour of lenders under Section 372A of the Companies Act, 1956 for its step down subsidiaries through Postal Ballot as required under the Companies (passing of Resolution by Postal Ballot) Rules, 2011. Mr. D.P.Gupta, Company Secretary in whole-time practice was the scrutinizer for conducting the postal ballot. The Special Resolution passed by overwhelming majority.
- The following Special Resolutions is proposed to be conducted through Postal Ballot :
 - Investment in the joint venture companies as per provisions of Section 372A of the Companies Act, 1956, and
 - Issuance of Corporate Guarantee in favour of lenders as per provisions of Section 372A of the Companies Act, 1956 for the financial assistance availed / to be availed by the step down subsidiaries of the Company.

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

Name of Company	Status	Nature	Balance as on March 31, 2012	(₹ in Million) Maximum outstanding during the year
MSSL Mauritius Holdings Limited \$	100% Subsidiary	Loan	417.13	417.13
MSSL Handels GmbH	100% Subsidiary	Loan	6.34	6.55
MSSL GmbH •	100% Subsidiary of MSSL Mideast (FZE)	Loan	523.82	523.82
Samvardhana Motherson Deutschland Gmbh •	100% Subsidiary of MSSL GmbH	Loan	206.98	206.98
MSSL Advanced Polymers s.r.o •	100% Subsidiary of MSSL GmbH	Loan	421.69	421.69
MSSL (GB) Limited •	100% Subsidiary of MSSL Mideast (FZE)	Loan	122.16	122.16
Motherson Wiring System (FZE) •	100% Subsidiary of MSSL Mideast (FZE)	Loan	174.01	174.01
MSSL Global RSA Module Engineering Ltd. Ω	100% Subsidiary of MSSL Mauritius Holdings Limited	Loan	1,068.93	1,068.93
Vacuform 2000 (Pty) Ltd. Ω	51% Subsidiary of MSSL Mauritius Holdings Limited	Loan	66.50	66.50
Samvardhana Motherson Global Holdings Ltd. Ω	51% Subsidiary of MSSL Mauritius Holdings Limited	Loan	244.35	244.35
MSSL Japan Ltd. #	100% Subsidiary of MSSL (S) Pte Ltd.	Loan	9.56	9.56
Samvardhana Motherson Reflected Group Holdings Ltd. •	93.60% Subsidiary of Samvardhana Motherson Global Holdings Ltd.	Loan	695.73	695.73

• Through MSSL Mideast (FZE)

\$ Through Motherson Electrical Wire Lanka Private Limited

Through MSSL (S) Pte Ltd

Ω 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. 47 in the Annual Report.
- No penalties or strictures were imposed by SEBI or the Stock Exchange.
- All mandatory requirements have been complied with and non mandatory requirements have not been complied with.

MEANS OF COMMUNICATION

The annual, half-yearly and quarterly results are regularly posted by the Company on its website www.motherson.com. 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 : 10.09.2012
- Day : Monday
- Time : 11:00 A.M.
- Venue : FICCI Golden Jubilee Auditorium, New Delhi

2. Financial Calendar (tentative and subject to change)

- Financial reporting for the first quarter ending June 30, 2012: July, 2012

- Financial reporting for the second quarter ending September 30, 2012: October 2012
- Financial reporting for the third quarter ending December 31, 2012: January, 2013
- Financial results for the year ending March 31, 2013: May, 2013
- 3. **Book Closure date** : 06.09.2012 to 10.09.2012 (both days inclusive)
- 4. **Dividend payment date** : on or after 10.09.2012
- 5. **Listing on stock exchanges**
 - Equity shares

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot no. C/1, G Block

Bandra - Kurla Complex
Bandra (E)
Mumbai
Code: MOTHERSUMI

BSE Limited
Pheroze Jeejeebhoy Towers
Dalal Street
Mumbai
Code : 517334

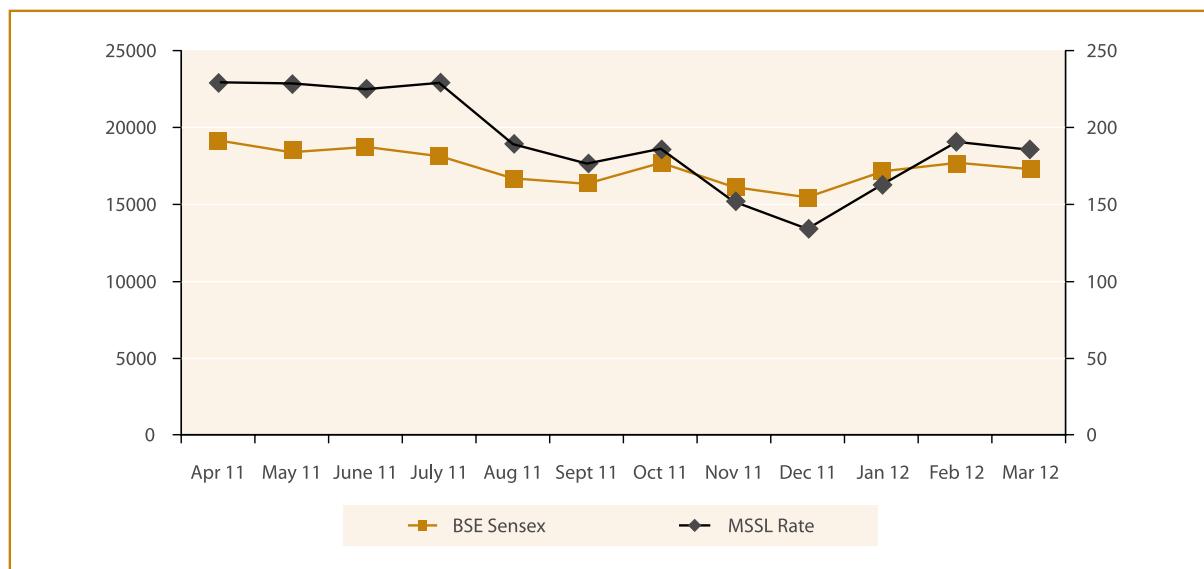
Delhi Stock Exchange Limited
DSE House, 3/1, Asaf Ali Road
Delhi

Ahmedabad Stock Exchange
Kamdhenu Complex,
Near Polytechnic Panjara Pole
Ahmedabad

6. MARKET PRICE DATA

Month	Bombay Stock Exchange		National Stock Exchange of India	
	High	Low	High	Low
April – 2011	243.70	201.30	243.60	206.40
May – 2011	235.50	202.00	235.00	205.10
June – 2011	246.70	206.65	247.00	205.55
July – 2011	256.00	220.05	255.90	219.00
August – 2011	239.90	184.40	239.75	184.50
September–2011	217.00	170.00	216.80	162.70
October – 2011	188.70	162.00	190.00	160.90
November – 2011	199.00	133.00	199.40	124.55
December – 2011	160.50	129.00	160.80	129.00
January – 2012	165.50	130.75	165.40	131.10
February – 2012	194.90	155.40	206.70	154.50
March – 2012	193.05	171.35	193.95	171.10

7. PERFORMANCE IN COMPARISON TO BROAD BASED INDICES



8. SHAREHOLDING PATTERN OF THE COMPANY AS ON 31.03.2012

Category	No. of shares held	% of shareholding
Indian Promoters	155824022	40.21
Foreign Promoters	96891795	25.00
Financial Institutions, Mutual Funds & Banks	39392559	10.16
Foreign Institutional Investors	46549513	12.01
Bodies Corporate	22931826	5.92
General Public (Individuals)	25556461	6.59
NRIs/ Trusts	371284	0.10
Clearing Members*	26340	0.01
Total	387543800	100.00

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

Note: The Company has allotted 4020360 equity shares on 23.04.2012 to the shareholders of erstwhile Sumi Motherson Innovative Engineering Ltd. consequent upon merger with the Company.

9. REGISTRAR AND TRANSFER AGENTS

The Registrar and Transfer Agent (RTA) of the Company is M/s Karvy Computershare. 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 - einward.ris@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. Hideaki Ueshima
Mr. Pankaj Mital

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

11. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2012

Range	No. of shareholders	% of shareholders to total	No. of shares	% of shares to total
1 – 5000	11932	90.83	5612308	1.45
5001-10000	748	5.69	4240119	1.09
10001 – 20000	148	1.13	1954881	0.50
20001 – 30000	58	0.44	1431790	0.37
30001- 40000	31	0.23	1078551	0.28
40001 – 50000	13	0.10	601427	0.16
50001 – 100000	51	0.39	3821143	0.99
100001and above	156	1.19	368803581	95.16
TOTAL	13137	100.00	387543800	100.00

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)
Lucknow (Uttar Pradesh)
Faridabad (Haryana)
Gurgaon (Haryana)
Manesar (Haryana)
Pune (Maharashtra)
Kandla (Gujarat)
Pathredi (Rajasthan)
Tapukara (Rajasthan)
Jamshedpur (Jharkhand)

Bangaluru (Karnataka)
Chennai (Tamilnadu)
Pondicherry

Representative Office(s)
Sharjah
Germany

14. INVESTORS' CORRESPONDENCE MAY BE ADDRESSED TO:

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

The above Report has been placed before the Board at its meeting held on August 09, 2012 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, 2012 received from the Board of Directors and Senior Management a declaration of compliance with the Code of Conduct.

For Motheson Sumi Systems Limited

Date: August 09, 2012
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, 2012, 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 NoF-84451

For and on behalf of

Place: Noida

Date: August 09, 2012

Price Waterhouse

Chartered Accountants

FRN:012754N

Auditors' Report

1. We have audited the attached Balance Sheet of Motheson Sumi Systems Limited (the "Company") as at March 31, 2012, and the related Statement of Profit and Loss 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the Balance Sheet, Statement of Profit and Loss 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, 2012 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2012 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, 2012;
- (ii) in the case of the Statement of Profit and Loss, 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

Place: Noida
Date: May 28, 2012

Anupam Dhawan
Partner
Membership Number: F084451

Annexure to Auditors' Report

Referred to in paragraph 3 of the Auditors' Report of even date to the members of Motherson Sumi Systems Limited on the financial statements as of and for the year ended March 31, 2012

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
- (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2. (a) The inventory (including stocks with third parties) has been physically verified by the Management during the year. 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 granted an unsecured loan to a Company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans aggregated to ₹ 1,000 Lakhs and ₹ 1,000 Lakhs respectively.
- (b) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
- (c) In respect of the aforesaid loan, the Company is repaying the principal amounts, as stipulated, and is also regular in payment of interest, as applicable.
- (d) In respect of the aforesaid loans, there is no overdue amount more than Rupees One Lakh.
- (e) 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 and 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 the 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 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 and excise duty as at March 31, 2012 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
Uttar Pradesh Trade Tax Act	Sales Tax	10,083	2003-2004	Supreme Court of India
Central Excise Act, 1944	Excise Duty	678	2003-04 & 2005-06	Customs, Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Service Tax	3,275	2002-03 and 2003-04	Commissioner of Central Excise (Appeals), Noida
Uttar Pradesh Trade Tax Act	Value Added Tax	52	2010-11	Additional Commissioner (Appeals), Noida
Income Tax Act, 1961	Income Tax	562	AY 2002-03	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	3,164	AY 2005-06	Commissioner of Income Tax (Appeals)
Central Excise Act, 1944	Central Excise	19	2000-01 to 2003-04	Supreme Court of India
Central Excise Act, 1944	Service Tax	74	2006-07	Commissioner (Appeals), Bangalore
Central Excise Act, 1944	Service Tax	68	2007-08	Customs, Excise and Service Tax Appellate Tribunal, Bangalore
Central Excise Act, 1944	Service Tax	190	2008-09	Commissioner (Appeals)
Central Excise Act, 1944	Service Tax	44	2006-07 and 2007-08	Customs, Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Service Tax	563	2008-09 to 2009-10	Commissioner of Central Excise (Appeal)
Central Excise Act, 1944	Service Tax	385	2007-08 to 2010-11	Customs, Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Central Excise	1,370	2003-04	Customs, Excise and Service Tax Appellate Tribunal, Chennai
Central Excise Act, 1944	Central Excise	1,436	2000-01 to 2001-02	Customs, Excise and Service Tax Appellate Tribunal, Delhi
Central Excise Act, 1944	Central Excise	90	2007-08 to 2008-09	Commissioner (Appeals)
Central Excise Act, 1944	Central Excise	1,720	2007-08	Customs, Excise and Service Tax Appellate Tribunal, Gurgaon
Central Excise Act, 1944	Service Tax	2,786	1999-00 to 2001-02	Hon'ble High Court, Allahabad
UP Tax on Entry of Goods Rules, 1999	Entry Tax	3,307	1999-00 to 2001-02	Hon'ble High Court, Allahabad
Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	15,561	2007-08	Joint Commissioner (Corporate Circle), Commercial Tax Department, Noida
Central Sales Tax Act, 1956	Central Sales Tax	3,564	2007-08	Joint Commissioner (Corporate Circle), Commercial Tax Department, Noida
Central Excise Act, 1944	Central Excise	22,492	2005-06 to 2008-09	Customs, Excise and Service Tax Appellate Tribunal, Noida
UP Trade Tax Act, 1948	Sales Tax	484	2006-07	Additional Commissioner (Appeals)
Central Excise Act, 1944	Service Tax	311	1999-2000	Hon'ble High Court, Chennai
Sales Tax	Sales Tax	437	2006-07	Additional Commissioner (Appeals)

10. The Company has no accumulated losses.

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, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.

17. On the basis of an overall examination of the balance sheet of the Company, in our opinion, and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.

18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.

19. The Company has not issued any debentures during the year; and does not have any debentures outstanding as at the year end.

20. The Company has not raised any money by public issues during the year.

21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For Price Waterhouse
Firm Registration Number: 012754N
Chartered Accountants

Anupam Dhawan
Place: Noida
Date: May 28, 2012
Partner
Membership Number: F084451

Balance Sheet

(All amounts in ₹ Million, unless otherwise stated)

	Note	As At March 31, 2012	As At March 31, 2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	388	388
Reserves and surplus	4	12,463	9,714
		12,851	10,102
Share Capital Suspense Account	5	4	–
Non Current Liabilities			
Long term borrowings	6	4,399	3,458
Deferred tax liabilities (Net)	7	214	225
Other long-term liabilities	8	156	111
Long term provisions	9	94	55
		4,863	3,849
Current Liabilities			
Short term borrowings	10	4,273	3,968
Trade payables	11	4,355	3,633
Other current liabilities	12	2,300	1,885
Short term provisions	13	1,624	1,503
		12,552	10,989
TOTAL EQUITY AND LIABILITIES		30,270	24,940
ASSETS			
Non Current Assets			
Fixed assets	14		
Tangible assets		12,164	8,973
Intangible assets		13	2
Capital work in progress		1,242	1,179
Intangible assets under development		13	–
Non current investments	15	3,704	3,439
Long term loans and advances	16	803	1,132
Other non-current assets	17	19	22
		17,958	14,747
Current Assets			
Current investments*	18	0	0
Inventories	19	4,652	4,277
Trade receivables	20	5,428	3,506
Cash and bank Balances	21	202	359
Short term loans and advances	22	2,030	2,051
		12,312	10,193
TOTAL ASSETS		30,270	24,940

Summary of Significant Accounting Policies

2

* Amount is below the rounding off norm adopted by the company

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

The notes are an integral part of these financial statements

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 28, 2012

V.C. SEHGAL
Vice Chairman

HIDEAKI UESHIMA
Director

PANKAJ MITAL
Chief Operating Officer

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

Statement of Profit & Loss

(All amounts in ₹ Million, unless otherwise stated)

	Note	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
REVENUE			
Revenue from Operations (gross)		38,879	30,840
Less: Excise Duty		3,161	2,604
Revenue from Operations (net)	23	35,718	28,236
Other Income	24	931	792
TOTAL REVENUE		36,649	29,028
EXPENDITURE			
Cost of materials consumed	25	20,728	17,012
Purchase of stock-in-trade		891	895
Changes in Inventories of finished goods and work-in-progress	26	(103)	(639)
Employee benefits expense	27	3,454	2,572
Other expenses	28	5,564	4,093
		30,534	23,933
Profit Before Interest and depreciation		6,115	5,095
Finance costs	29	598	320
Profit for the Year before depreciation		5,517	4,775
Depreciation and Amortization Expense	30	1,172	830
Profit Before Tax		4,345	3,945
Tax Expenses			
-Current tax		1,196	981
-Deferred tax expense / (credit)		(15)	89
-Income Tax for earlier years		(8)	-
Profit for the year		3,172	2,875
Earnings per share :			
Nominal value per share : Re 1 (Previous year : Re 1)			
Basic: ₹ per share		8.1	7.5
Diluted: ₹ per share		8.1	7.3
Summary of Significant Accounting Policies	2		

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

The notes are an integral part of these financial statements

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 28, 2012

Cash Flow Statement

(All amounts in ₹ Million, unless otherwise stated)

	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
A. Cash flow from operating activities:		
Net (loss)/profit before tax but after exceptional/extraordinary items	4,345	3,945
Adjustments for:		
Depreciation expense	1,168	828
Amortisation expense	4	2
Profit on sale of tangible assets (net)	(21)	(26)
Liabilities no longer required written back	(43)	(119)
Bad debts/advances written off	8	17
Provision for diminution in value of long term investments	–	2
Provision for diminution in value of current investment *	0	0
Provision for gratuity & compensated absences	265	28
Provision for warranty	9	–
Interest income	(50)	(36)
Dividend income	(716)	(202)
Interest expenditure	598	320
Unrealised net loss on foreign currency translation	557	(42)
Operating profit before working capital changes	6124	4717
Change in working Capital:		
Increase/(Decrease) in Trade Payables	478	996
Increase/(Decrease) in Other Payables	(149)	63
(Increase)/Decrease in Trade Receivables	(1,514)	(1,124)
(Increase)/Decrease in Inventories	(8)	(1,902)
(Increase)/Decrease in Other Receivables	120	(603)
Cash generated from operations	5,051	2,147
- Taxes (Paid) / Received (Net of TDS)	(760)	(903)
Net cash generated from operations before extraordinary items	4,291	1,244
Net cash generated from operating activities	4,291	1,244
B. Cash flow from Investing activities:		
Purchase of tangible / intangible assets	(3,673)	(3,732)
Sale of tangible assets	48	111
Purchase of long term investments	(419)	(1,457)
Loan to related parties	(105)	(345)
Interest received (revenue)	49	29
Dividend received from subsidiaries	465	–
Dividend received from other investments	200	202
Net cash used in investing activities	(3,435)	(5,192)

(All amounts in ₹ Million, unless otherwise stated)

	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
C. Cash flow from financing activities:		
Dividend paid	(1,063)	(677)
Dividend distribution tax	(174)	(113)
Interest paid	(587)	(309)
Proceeds from long term borrowings	1,147	2,737
Proceeds from working capital and other loans repayable on demand (net)	(1,072)	2,554
Proceeds from other short term borrowings	6,813	185
Repayment of long term borrowings	(505)	(328)
Repayment of other short term borrowings	(5,517)	(184)
Proceeds from share allotment	(100)	-
Net cash used in financing activities	(1,058)	3,865
Net Increase/(Decrease) in Cash & Cash Equivalents	(202)	(83)
Net Cash and Cash equivalents at the beginning of the year	350	352
Cash and cash equivalents as at April 1, 2011 - addition on amalgamation (Refer Note 37)	43	93
Cash and cash equivalents as at current year closing	191	362
Cash and cash equivalents comprise		
Cash on hand	11	9
Cheques / drafts on hand	6	10
Balance with Banks	174	331
Cash and cash equivalents as per Balance Sheet (restated)	191	350
Effect of exchange differences on balances with banks in foreign currency	(0)	12
Total	191	362

(i) Figures in brackets indicate cash outgo.

* Amount is below the rounding off norm adopted by the Company

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 28, 2012

V.C. SEHGAL

Vice Chairman

HIDEAKI UESHIMA

Director

PANKAJ MITAL

Chief Operating Officer

G.N. GAUBA

Co. Secretary & V.P. Finance

Notes to the financial statements

1. General Information

Motherson Sumi Systems Limited is incorporated in India on 19th December 1986 and is engaged primarily in the manufacture and sale of components to automotive original equipment manufacturers. The Company has manufacturing plants in India and sells primarily in India, Europe and Australia. The Company is a public limited company and is listed on the Bombay Stock Exchange, National Stock Exchange, Ahmedabad Stock Exchange and Delhi Stock Exchange. The Company is a joint venture entity between Samvardhana Motherson Finance Limited (SMFL) and Sumitomo Wiring Systems Limited, Japan.

2. Summary of significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain tangible assets which are being carried at revalued amounts. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

2.2 Tangible Assets

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any, except tangible assets of the Component Division of erstwhile Motherson Auto Components Engineering Limited (MACE) and erstwhile India Nails Manufacturing Limited (formerly India Nails Manufacturing Private Limited, subsidiary which has been merged with the Company w.e.f April 1, 2011) which have been revalued on December 31, 1998 and on March 31, 2005 respectively and except assets costing less than ₹ 5,000 each charged to expense, which could otherwise have been included as tangible asset, in accordance with Accounting Standard 10 -'Accounting for Fixed Assets', because the amount is not material.

Revaluation in respect of certain tangible assets of the Component Division of erstwhile Motherson Auto Components Engineering Limited (MACE) and erstwhile India Nails Manufacturing Limited (INML) was done as under:

- a) Land at the prevailing market rates as certified by approved valuation experts as on the date of revaluation.
- b) Building ,plant and machinery and other assets of MACE at their replacement values as certified by approved valuation expert

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements.

Any expected loss is recognised immediately in the Statement of Profit and Loss.

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets or the rates prescribed under Schedule XIV to the Companies Act, 1956, whichever is higher, as follows:

Notes to the financial statements

Asset	Range of Depreciation Rates
Leasehold Land	Over the period of Lease
Freehold Lands	Nil
Leasehold improvements	Over the period of the lease
Building	1.63%-10%
Electric Installation	10%
Plant & Machinery	10.34%-35%
Furniture& fixtures	16.67%
Office equipments	16.67%
Computers	33.33%
Vehicles	25%

2.3 Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. A rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use is considered by the management. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit and Loss. The amortization rates used are:

Asset	Rate (%)
Technical Knowhow	33.33
Software	33.33

2.4 Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

2.5 Impairment of Assets

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit'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. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

2.6 Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

Notes to the financial statements

Investment Property

Investment in buildings that are not intended to be occupied substantially for use by, or in the operations of the Company, have been classified as investment property. Investment properties are carried at cost less accumulated depreciation. Refer note 2.2 for depreciation rates used for buildings.

2.7 Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined using the first-in,first-out (FIFO) method. The cost of finished goods and work in progress comprises raw materials, components, direct labour, other direct costs and related production overheads. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Tools are valued at cost less amortization based on useful life of the items ascertained on a technical estimate by the management.

2.8 Foreign Exchange Transactions

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period.

A monetary asset or liability is termed as a long-term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has a term of 12 months or more at the date of origination of the asset or liability.

Exchange differences on restatement of all other monetary items are recognised in the Statement of Profit and Loss.

Forward Exchange Contracts

The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset/liability, is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profits or losses arising on cancellation or renewal of such a forward exchange contract are recognised as income or as expense for the period.

2.9 Derivative Transactions

Forward exchange contracts outstanding as at the year end on account of firm commitment /highly probable forecast transactions and commodity hedging transactions that are settled net are marked to market and the losses, if any, are recognised in the Statement of Profit and Loss and gains are ignored in accordance with the Announcement of Institute of Chartered Accountants of India on 'Accounting for Derivatives' issued in March 2008.

2.10 Revenue Recognition

Sale of goods

Sales are recognised when the substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognized net of trade discounts, rebates, sales taxes and excise duties.

Sale of Services

In contracts involving the rendering of services, revenue is measured using the proportionate completion method and are recognised net of service tax.

Notes to the financial statements

2.11 Other Income

Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Income from duty drawback and premium of sale of import licences is recognized on an accrual basis.

Dividend

Dividend income is recognised when the right to receive dividend is established.

2.12 Employee Benefits

Provident Fund & Employee State Insurance

Contribution towards provident fund and employee state insurance for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Gratuity

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company funds the benefits through annual contributions to Life Insurance Corporation of India (LIC) under its Group's Gratuity Scheme. The Company's liability are actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Compensated Absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

2.13 Current and Deferred tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period.

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company reassesses unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Notes to the financial statements

Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

2.14 Provisions and Contingent Liabilities

Provisions

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

2.15 Leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

The Company leases certain tangible assets and such leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance charge and the reduction of the outstanding liability. The outstanding liability is included in other long-term borrowings. The finance charge is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

As a lessor

The Company has leased certain tangible assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the lease term which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognized as an expense in the Statement of Profit and Loss in the period in which they are incurred.

2.16 Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Further, inter-segment revenue have been accounted for based on the transaction price agreed to between segments which is primarily market based.

Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated corporate expenses".

2.17 Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less.

Notes to the financial statements

2.18 Earnings Per Share (EPS)

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, which have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.19 Amalgamation in the Nature of Merger

The Company accounts for all amalgamations in nature of merger using the 'pooling of interest method' as prescribed in AS 14: Accounting for Amalgamations. Assets and liabilities acquired of the transferor company have been recognised at their respective book value. The difference between the amount recorded as share capital issued (plus any additional consideration in the form of cash or other assets) and the amount of share capital of the transferor company is adjusted in reserves.

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2012	As At March 31, 2011
Note 3 - SHARE CAPITAL		
Authorised	2,873	1,923
2,873,000,000 ¹ Equity shares of ₹ 1/- (Previous Year 1,923,000,000 Equity Shares of ₹ 1/- each)		
25,000,000 ¹ 8% Convertible Cumulative Preference Shares of ₹ 10/- each (Previous Year NIL)	250	-
Issued	388	388
387,547,000 Equity Shares of ₹ 1/- each (Previous Year 387,547,000 Equity Shares of ₹ 1/- each)		
Subscribed and Paid up	388	388
387,543,800 Equity Shares of ₹ 1/- each (Previous Year 387,543,800 Equity Shares of ₹ 1/- each)		
TOTAL	388	388

¹Increase on account of amalgamation of Sumi Motherson Innovative Engineering Limited (SMIEL), India Nails Manufacturing Limited (INML) and MSSL Global Wiring Systems Limited (MGWL) (Refer Note 37)

a. Reconciliation of number of shares

Equity Shares:	As at March 31, 2012		As at March 31, 2011	
	Nos.	Amount	Nos.	Amount
Balance as at the beginning of the year	387,543,800	388	374,593,800	375
Add: Shares issued on allotment of 12,950,000 equity shares of ₹ 1/- each pursuant to conversion of Zero Coupon Foreign Currency Convertible Bonds.	-	-	12,950,000	13
Balance at the end of the year	387,543,800	388	387,543,800	388
 Preference Shares:				
Preference Shares:	As at March 31, 2012		As at March 31, 2011	
	Nos.	Amount	Nos.	Amount
Balance as at the beginning of the year	-	-	-	-
Add :Preference shares of erstwhile SMIEL pursuant to the scheme of amalgamation (Refer Note 37)	1,000,000	100	-	-
Less : Redeemed during the year	1,000,000	100	-	-
Balance at the end of the year	-	-	-	-

Notes to the financial statements

b. Rights, preferences & restrictions attached to shares

Equity

The Company currently has only one class of equity shares having a par value of ₹ 1/- per share. Each shareholder is eligible to one vote per share held. The Company declares and pays dividends in Indian rupees. The dividend, if proposed by the Board of Directors, is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares allotted as fully paid up by way of bonus shares

	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Equity shares allotted as fully paid bonus shares by capitalization of securities premium	117,444,600	117,444,600	117,444,600	117,444,600	117,444,600

d. Details of shares held by shareholders more than 5% of the aggregate shares in the company.

	March 31, 2012		March 31, 2011	
	Nos.	%	Nos.	%
Equity shares				
Samvardhana Motherson Finance Limited	140,858,015	36.35%	140,838,015	36.34%
Sumitomo Wiring Systems Limited	96,891,795	25.00%	96,891,795	25.00%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(All amounts in ₹ Million, unless otherwise stated)

	As at March 31, 2012		As at March 31, 2011	
	Amount	Amount	Amount	Amount
Note 4 - RESERVES & SURPLUS				
Revaluation Reserve				
Balance as at the beginning of the year	20		20	
Addition on amalgamation (Refer Note 37)	76		–	
Balance as at the end of the year		96		20
Reserve on Amalgamation				
Balance as at the beginning of the year	1,242		572	
Addition on Amalgamation (Refer Note 37)	421		670	
Balance as at the end of the year		1,663		1,242
Securities Premium Account				
Balance as at the beginning of the year	3,566		2,280	
Additions during the year ¹	–		1,286	
Balance as at the end of the year		3,566		3,566
General Reserve				
Balance as at the beginning of the year	1,789		1,488	
Transfer from Statement of Profit and Loss	450		300	
Additions on Amalgamation (Refer Note 37)	64		1	
Deductions during the year ²	(100)		–	
Balance as at the end of the year		2,203		1,789
Surplus in Statement of Profit & Loss				
Balance as at the beginning of the year	3,097		2,430	
Profit for the year	3,172		2,875	
Transfer to General Reserve	(450)		(300)	

Notes to the financial statements

	As at March 31, 2012		As at March 31, 2011	
	Amount	Amount	Amount	Amount
Additions on Amalgamation (Refer Note 37)	1		(664)	
Proposed dividend (Refer Note 31)	(890)		(1,070)	
Tax on dividend	(145)		(174)	
Balance as at the end of the year		4,785		3,097
Capital Redemption Reserve				
Balance as at the beginning of the year	–		–	
Additions during the year ²	100		–	
Additions on Amalgamation (Refer Note 37)	50		–	
Balance as at the end of the year		150		–
TOTAL		12,463		9,714

¹On conversion of zero coupon Foreign Currency Convertible Bonds

²On redemption of 8% Convertible Cumulative Preference Shares of erstwhile SMIEL (Refer Note 37(d))

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2012	As At March 31, 2011
Note 5 - SHARE CAPITAL SUSPENSE ACCOUNT		
4,420,360 Equity shares of ₹ 1 each to be issued as fully paid up to the shareholders of erstwhile Sumi Motheson Innovative Engineering Limited (SMIEL) pursuant to the scheme of amalgamation. (Refer Note 37)	4	–
TOTAL	4	–

(All amounts in ₹ Million, unless otherwise stated)

	Non Current Portion		Current Maturities	
	As At March 31, 2012	As At March 31, 2011	As At March 31, 2012	As At March 31, 2011
Note 6 - LONG TERM BORROWINGS				
Secured				
Term loans				
– Foreign currency Loan from banks	3,345	2,508	713	459
– Indian rupee loan from other than banks	37	47	12	13
Unsecured				
Term loans				
– Foreign currency Loan from banks	1,017	903	–	–
Less : disclosed under Other Current Liabilities (Refer Note 12)			725	472
TOTAL	4,399	3,458	–	–

Notes to the financial statements

a) Secured Loans

Nature of Security (In case of Secured Loans)	Terms of Repayment
Foreign Currency Loans from bank are secure by first pari passu charge on entire fixed assets, both movable & 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.	1) ₹ 409 million is repayable in 4 half yearly instalments till March 2014.(Previous year : ₹ 568 million) 2) ₹ 712 million is repayable in 7 half yearly instalments till July 2015 (Previous year : ₹ 814 million) 3) ₹ 445 million is repayable in 14 quarterly instalments till September 2015 (Previous year : ₹ 454 million) 4) ₹ 457 million is repayable in 15 quarterly instalments till December 2015 (Previous year : ₹ 454 million) 5) ₹ 1,272 million is repayable in 10 half yearly instalments starting from February 2014 till August 2018. (Previous Year : NIL) 6) ₹ 763 million is repayable in 12 half yearly instalments starting from August 2012 till February 2018.(Previous Year : ₹ 677 million) The applicable rate of interest in respect of foreign currency loans from banks is within a range of 0.4% p.a. to 3% p.a. over 3 to 6 months US\$/JPY Libor and 5% to 8 % in respect of loans hedged for swap contracts.
Rupee loan amounting to ₹ 47 million (Previous year : ₹ 57 million) from other than banks is secured against land acquired from Noida Authority under the instalment plan.	Repayable in 8 half yearly instalments till December 2015 carrying interest @11% p.a.
Rupee loan amounting to ₹ 2 million from other than banks is secured against the vehicles purchased against such loan. (Previous year : ₹ 3 million)	Fully repayable in 2012-13 carrying interest @8.5%

b) Unsecured Loans

Particulars	Terms of Repayment
The Company has given a negative lien on the assets purchased out of the said facility	₹ 1,017 million repayable in 3 yearly instalments starting January 2015 till January 2017 (Previous Year ₹ 903 million)

c) In respect of long term borrowings aggregating to ₹ 4,312 million in respect of which certain financial ratio covenants were not complied on the covenant testing date of March 31,2012, the company has obtained the requisite waiver from the bank for the financial year ended March 31,2012. Further, the company has applied to its tender (for long term borrowings) in respect of loan aggregating to ₹ 763 million for waiver of compliance with certain financial ratio covenant which have not been complied on the testing date of March 31, 2012.

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2012	As At March 31, 2011
Note 7 - DEFERRED TAX LIABILITIES (NET)		
Deferred tax Liabilities (A)		
Depreciation		
Opening Balance	247	233
Addition consequent to amalgamation (Refer Note 37)	14	-
Increase /(Decrease) during the year	(14)	14
Closing Balance	247	247
Deferred tax assets (B)		
Expenses charged in the financial statements but allowable as deductions in future years under the Income Tax Act (to the extent considered realisable)		
Opening Balance	22	97
Addition consequent to amalgamation (Refer Note 37)	10	-
Increase /(Decrease) during the year	1	(75)
Closing Balance	33	22
TOTAL (A-B)	214	225

Notes to the financial statements

Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing taxation laws. In view of the Company's past financial performance and future profit projections, the Company expects to fully recover the Deferred Tax Assets.

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2012	As At March 31, 2011
Note 8 - OTHER LONG TERM LIABILITIES		
Trade Payables (including acceptances)		
Due to micro and small enterprises	–	–
Others	10	10
Others		
Retention Money	21	9
Security deposits received	84	62
Advance recovery from employees for sale of assets	41	30
TOTAL	156	111

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2012	As At March 31, 2011
Note 9 - LONG TERM PROVISIONS		
Provision for employee benefits		
Provision for compensated absences (Refer Note 27)	94	55
TOTAL	94	55

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2012	As At March 31, 2011
Note 10 - SHORT TERM BORROWINGS		
Secured		
Working Capital Loans		
Repayable on demand- from banks		
Indian rupee loan	867	1,900
Other Short Term Loans -from Bank		
Indian rupee loan	1,762	817
Foreign currency loan	765	716
Unsecured		
Loans from banks		
Indian rupee loan	834	350
Other Loans- repayable on demand		
Indian rupee Loan	–	150
Indian rupee Loan from a related party	45	35
TOTAL	4,273	3,968

a) Working capital loans are 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.

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2012	As At March 31, 2011
Note 11 - TRADE PAYABLES		
Trade Payables		
Due to micro and small enterprises (Refer Note 36)	14	6
Others	4,341	3,627
TOTAL	4,355	3,633

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2012	As At March 31, 2011
Note 12 - OTHER CURRENT LIABILITIES		
Other current liabilities		
Current maturities of long term debt (Refer Note 6)	725	472
Interest accrued but not due on borrowings	22	12
Unpaid dividends	10	8
Employee Benefit Payable		
Salaries and other benefits	331	239
Statutory dues payable	322	230
Advances received from customers	663	619
Other payables	198	285
Security Deposit Received	6	5
Advance recovery from employees	23	15
TOTAL	2,300	1,885

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2012	As At March 31, 2011
Note 13 - SHORT TERM PROVISIONS		
Provision for employee benefits (Refer Note 27)		
Provision for gratuity	31	39
Provision for compensated absences	25	24
Other Provisions		
Provision for warranties (Refer Note 46)	11	2
Provision for litigations (Refer Note 46)	20	19
Provision for proposed dividend on equity shares	882	1,065
Provision for proposed dividend on preference shares	8	–
Provision for dividend distribution tax on proposed dividend on equity shares	144	174
Provision for dividend distribution tax on proposed dividend on preference shares	1	–
Provision for income tax	499	178
Provision for wealth tax	3	2
TOTAL	1,624	1,503

Notes to the financial statements

Note - 14 FIXED ASSETS

(All amounts in ₹ Million, unless otherwise stated)

Particulars	GROSS BLOCK					DEPRECIATION /AMORTIZATION			NET BLOCK			
	As at March 31, 2011	Additions during the year	Addition on account of acquisitions	Disposals	Other Adjustments	Total as at March 31, 2012	Upto March 31, 2011	Addition on account of acquisitions	Depreciation for the year	Depreciation/ Sale/ Adjustments	Upto March 31, 2012	As at March 31, 2012
Tangible Assets												
Own Assets												
Leasehold Land	887	–	152	–	48	1,087	38	16	12	–	66	1,021
Freehold Land	903	89	–	–	(48)	944	–	–	–	–	–	944
Leasehold improvements	36	–	–	–	–	36	3	–	–	–	3	33
Building	3,430	1,047	418	0	–	4,895	468	100	141	0	709	4,186
Plant & Machinery	7,815	1,964	1,453	237	–	10,995	3,866	920	860	223	5,423	5,572
Furniture & fixtures	62	9	16	8	–	79	40	13	8	7	54	25
Office equipments	123	27	17	23	–	144	88	10	15	23	90	54
Computers	275	75	36	–	–	349	208	24	52	36	248	101
Vehicles	349	151	32	74	–	458	196	17	80	63	230	228
TOTAL OWN ASSETS	13,880	3,362	2,123	378	–	18,987	4,907	1,100	1,168	352	6,823	12,164
TOTAL TANGIBLE ASSETS	13,880	3,362	2,123	378	–	18,987	4,907	1,100	1,168	352	6,823	12,164
Previous Year	10,299	2,970	828	217	–	13,880	3,624	588	828	133	4,907	8,973
Intangible Assets												
Technical Knowhow fees	6	8	–	–	–	14	5	–	2	–	7	2
Software	–	3	16	–	–	19	–	11	2	–	13	6
TOTAL INTANGIBLE ASSETS	6	11	16	–	–	33	5	11	4	–	20	13
Previous Year	6	–	–	–	–	6	2	–	2	–	4	2
GRAND TOTAL	13,886	3,373	2,139	378	–	19,020	4,912	1,111	1,172	352	6,843	12,177
Previous Year	10,305	2,970	828	217	–	13,886	3,626	588	830	133	4,911	8,975

a) Additions on acquisition relate to assets acquired by the company through amalgamation done during the year (Refer Note 37)

b) Other adjustments include adjustments on account of reclassifications

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

Particulars	As At March 31, 2012	As At March 31, 2011
Note 15 - NON CURRENT INVESTMENTS		
a) Investment property (at cost less accumulated depreciation)		
Cost of Building	15	15
Less : Accumulated depreciation	3	3
	12	12
b) Trade Investment (unquoted instruments valued at cost unless stated otherwise):		
(Long-term Investments)		
Investment in Subsidiaries :		
MSSL Mauritius Holdings Limited		
37,820,080 equity shares (Previous year : 33,593,100) of Euro 1 each fully paid up	2,244	1,979
Net of provision for other than temporary diminution aggregating to ₹ 110 million (Previous year : ₹ 110 million).		
MSSL Mideast (FZE)		
1 equity share (Previous year :1) of AED 150,000 equivalent to Euro 46,875 each fully paid up	2	2
16,575,000 equity share (Previous year :14,275,000) of Euro 1 each fully paid up.	977	829
MSSL Handels GmbH		
1 equity share (Previous year :1) of Euro 35,000	–	–
Net of provision for other than temporary diminution aggregating of ₹ 2 million (Previous year : ₹ 2 million).		
Motherson Electrical Wires Lanka Private Limited		
1,456,202 equity shares (Previous year : 1,456,202) of Srilankan ₹ 10/- each fully paid up	7	7
MSSL (S) PTE Ltd.		
100,000 equity shares (Previous year :100,000) of SGD 1/- each fully paid up	3	3
4,500,000 (Previous year : 4,500,000) 6% redeemable at par non convertible and non cumulative preference shares of S\$ 1/- each fully paid up.	123	123
MSSL Global Wiring Limited		
Nil equity shares (Previous year: 50,000) of ₹ 10/- each fully paid up.	–	1
India Nails Manufacturing Limited		
Nil equity shares (Previous year :32,755,766) of ₹ 10/- each fully paid up.	–	154
Samvardhana Motherson Polymer Limited		
522,750 equity shares (Previous year : Nil) of ₹ 10/- each fully paid up.	5	–
SMR Automotive Systems India Limited		
6,712,990 equity shares (Previous year : 6,712,990) of ₹ 10/- each fully paid up.	67	67
MSSL Automobile Component Limited		
50,000 Equity shares (Previous year: Nil) of ₹10/- each fully paid up.	1	–
	3,429	3,165
Investment in joint ventures :		
Woco Motherson Elastomer Limited	11	11
1,139,333 equity shares (Previous year :1,139,333) of ₹ 10/- each fully paid up.		
Woco Motherson Advanced Rubber Technologies Limited		
666,667 equity shares (Previous year : 666,667) of ₹ 10/- each fully paid up.	7	7

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

Particulars	As At March 31, 2012	As At March 31, 2011
Kyungshin Industrial Motheson Limited	86	86
8,600,000 equity shares (Previous year: 8,600,000) of ₹ 10/- each fully paid up.		
Calsonic Kansei Motheson Auto Products Limited	119	119
11,907,000 equity shares (Previous year: 11,907,000) of ₹ 10/- each fully paid up.	223	223
Investment in associates :		
Saks Ancillaries Limited	11	11
1,000,000 equity shares (Previous year: 1,000,000) of ₹ 10/- each fully paid up.		
c) Others investments (unquoted instruments valued at cost) :		
(Long-term Investments)		
Motheson Air Travel Agencies Limited	1	1
120,000 equity shares (Previous year: 120,000) of ₹ 10/- each fully paid up.		
Motheson Sumi Infotech & Designs Limited		
1,250,000 7% preference shares (Previous year: 1,250,000) of ₹ 10/- each fully paid up.	13	13
1,200,000 Equity shares (Previous year: 1,200,000) of ₹ 10/- each fully paid up.	14	14
Green Infra Wind Power Projects Limited		
120,000 Equity shares (Previous year: Nil) of ₹ 10/- each fully paid up.	1	-
	29	28
TOTAL	3,704	3,439
Aggregate amount of unquoted investments	3,704	3,439
Aggregate provision for diminution in value of investments	112	112

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2012	As At March 31, 2011
Note 16 - LONG TERM LOANS AND ADVANCES		
Unsecured considered good (unless otherwise stated):		
Capital Advances	588	419
Security Deposits to related parties	4	2
Other Security Deposits	106	79
Loans and advances to related parties		
Considered good	1	545
Considered doubtful ¹	6	6
Less: Provision for doubtful loans and advances to related parties ¹	(6)	(6)
Housing loan to employees	23	22
Other loans and advances:		
Prepaid expenses	57	54
Balances with Government Authorities	24	11
	803	1,132

¹ The above includes advances given to a wholly owned subsidiary MSSL Handels GmbH

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2012	As At March 31, 2011
Note 17 - OTHER NON CURRENT ASSETS		
Long Term deposits with banks with maturity period more than 12 months [Refer note (a) below]	19	22
TOTAL	19	22

a) Held as lien by Government Authorities against bank guarantees

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2012	As At March 31, 2011
Note 18 - CURRENT INVESTMENT		
At cost or market value, whichever is less		
Quoted		
HDFC Bank Limited*	0	0
2035 equity shares (Previous year :407 of ₹ 10/-each fully paid up) of ₹ 2/- each fully paid up		
Balrampur Chini Mills Limited*	0	0
1,200 equity shares (Previous year :1,200) of ₹ 1/- each fully paid up		
Jaysynth Dyechem Limited*	0	0
100 equity shares (Previous year:100) of ₹ 10/- each fully paid up		
Glvo Limited.*	0	0
28,475 equity shares (Previous year :28,475) of ₹ 10/- each fully paid up		
Mahindra & Mahindra Limited*	0	0
3,644 equity shares (Previous year:3,644) of ₹ 5/- each fully paid up		
Pearl Engineering Polymers Limited*	0	0
3,160 equity shares (Previous year :3,160) of ₹ 10/- each fully paid up		
Inapex Auto Export P Limited	-	-
100 equity shares (Previous year :100) of ₹ 10/- each fully paid up		
Daewoo Motors Limited	-	-
6,150 equity shares (Previous year :6,150) of ₹ 10/- each fully paid up		
Athena Financial Services Limited. (Formerly Kinetic Lease & Finance Limited)	-	-
66 equity shares (Previous year : 66) of ₹ 10/- each fully paid up		
Electrolux Kelvinator India Limited	-	-
1,250 equity shares (Previous year :1,250) of ₹ 10/- each fully paid up		
TOTAL*	0	0
Aggregate amount of quoted investments *	0	0
Market value of quoted investments	4	2

* All the above amounts are below the rounding off norm adopted by the Company

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2012	As At March 31, 2011
Note 19 - INVENTORIES		
Raw Materials	2,322	2,280
Raw Materials in transit	588	536
Work in progress	1,109	922
Finished Goods	547	433
Finished Goods in transit	77	96
Stores and spares	9	10
TOTAL	4,652	4,277

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2012	As At March 31, 2011
Note 20 - TRADE RECEIVABLE		
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	63	40
Others	5,365	3,466
Unsecured, considered doubtful		
Outstanding for a period exceeding six months from the date they are due for payment	15	11
Others	–	–
Less: Provision for doubtful receivables	(15)	(11)
TOTAL	5,428	3,506

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2012	As At March 31, 2011
Note 21 - CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Balances with banks:		
In current accounts	158	331
Deposits with original maturity of less than three months	16	–
Cheques and drafts on hand	6	10
Cash on hand	11	9
	191	350
Other bank balances		
Deposits with original maturity for more than three months but less than twelve months	1	1
Unpaid dividend accounts	10	8
	11	9
TOTAL	202	359

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2012	As At March 31, 2011
Note 22 - SHORT-TERM LOANS AND ADVANCES		
Unsecured, considered good ,unless otherwise stated:		
Loans and Advances to related party		
Considered good	266	196
Considered doubtful	-	-
Other Loans and Advances		
Considered good	506	589
Considered doubtful	2	2
Less: Provision for doubtful advances	(2)	(2)
Prepaid expenses	52	47
Loans to employees	39	12
Balances with Government Authorities	1,166	1,206
Fringe Benefit Tax (Net)	1	1
TOTAL	2,030	2,051

(All amounts in ₹ Million, unless otherwise stated)

	Year Ended March 31, 2012	Year Ended March 31, 2011
Note 23 - REVENUE FROM OPERATIONS (NET)		
Sales of Products		
Finished Goods		
Within India	32,364	27,395
Outside India	4,880	2,776
Traded Goods	1,206	212
Sales of Services	231	306
Other operating revenue		
Scrap sales	117	91
Job work income	81	60
	38,879	30,840
Less: Excise Duty	3,161	2,604
TOTAL	35,718	28,236

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

	Year Ended March 31, 2012	Year Ended March 31, 2011
Note 24 - OTHER INCOME		
Interest Income	50	36
Dividend Income		
From subsidiaries	516	-
From non current investments	200	202
From current investments *	0	0
Lease rentals (Refer Note 48)	58	64
Profit on Sale of tangible assets	21	26
Export Incentives	1	-
Liabilities no longer required written back	43	87
Exchange fluctuation (net)	-	211
Commodity gain	-	106
Miscellaneous Income	42	60
TOTAL	931	792

*Amounts are below the rounding off norm adopted by the Company

(All amounts in ₹ Million, unless otherwise stated)

	Year Ended March 31, 2012	Year Ended March 31, 2011
Note 25 - COST OF MATERIALS CONSUMED		
Opening Stock of Raw Materials	2,280	1,101
Addition on amalgamation (Refer Note 37)	180	3
Add : Purchases of Raw Materials	20,590	18,188
Less: Closing Stock of Raw Materials	(2,322)	(2,280)
TOTAL	20,728	17,012

(All amounts in ₹ Million, unless otherwise stated)

	Year Ended March 31, 2012	Year Ended March 31, 2011
Note 26 - CHANGES IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS		
(Increase) / decrease in stocks		
Stock at the Opening of the year:		
Finished goods	529	409
Work-in-progress	923	400
	1,452	809
Add: Stock acquired on amalgamation (Refer Note 37):		
Finished goods	72	3
Work-in-progress	106	1
	178	4
Less: Stock at the end of the year:		
Finished goods	(624)	(529)
Work-in-progress	(1,109)	(923)
	(1,733)	(1,452)
Total	(103)	(639)

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

	Year Ended March 31, 2012	Year Ended March 31, 2011
Note 27 - EMPLOYEE BENEFITS EXPENSE		
Salary, Wages & Bonus	2,955	2,158
Contribution to Provident & Other Funds [Refer Note (B) below]	166	132
Gratuity [Refer note (A) below]	13	43
Staff Welfare Expenses	320	239
TOTAL	3,454	2,572

(A) Defined Benefit Schemes

(1) Gratuity:

The Company operates gratuity plan administered through Life Insurance Corporation of India (LIC) under its group gratuity scheme. Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service. The Company pays contribution to Life Insurance Corporation of India to fund its plan.

(i) Present Value of Defined Benefit Obligation

(Figures in ₹ Million)

	March 31, 2012	March 31, 2011
Obligations at year beginning	183	134
Obligations at year beginning consequent to Amalgamation	41	1
Service Cost - Current	29	24
Interest Cost	20	11
Actuarial (gain) / loss	(21)	19
Benefit Paid	(5)	(6)
Obligations at year end	247	183

(ii) Fair Value of Plan Assets

	March 31, 2012	March 31, 2011
Plan assets at year beginning, at fair value	144	109
Plan assets at year beginning consequent to Amalgamation	23	-
Expected return on plan assets	15	10
Actuarial gain / (loss)	-	1
Contributions	39	30
Benefits paid	(5)	(6)
Plan assets at year end, at fair value	216	144

(iii) Assets and Liabilities recognized in the Balance Sheet

	March 31, 2012	March 31, 2011
Present Value of the defined benefit obligations	247	183
Fair value of the plan assets	216	144
Amount recognized as Liability	31	39
Recognized under:		
Short Term Provision (Refer Note 13)	31	39

Notes to the financial statements

(iv) Defined benefit obligations cost for the year

	March 31, 2012	March 31, 2011
Service Cost - Current	29	24
Interest Cost	20	11
Expected return on plan assets	(15)	(10)
Actuarial (gain) / loss	(21)	18
Net defined benefit obligations cost	13	43

(v) Major Category of Plan Assets as % to total Plan Assets

LIC of India	100%	100%
TOTAL	100%	100%

The expected rate of return on assets is determined based on the assessment made at the beginning of the year on the return expected on its existing portfolio, along with the estimated increment to the plan assets and expected yield on the respective assets in the portfolio during the year.

(vi) Actuarial Assumptions:

	March 31, 2012	March 31, 2011
Discount Rate	8.83%	8.35 %
Future salary increases	7.50%	7.50 %.
Expected return on plan assets	9.40%	9.30%.
Expected Average remaining working lives of employees (years)	28.24	27.67

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

(vii) Amounts recognized in current year and previous four years

	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Defined benefit obligations	247	183	134	112	78
Plan assets	(216)	(144)	(109)	(86)	(63)
Deficit / (Surplus)	31	39	25	26	15

(viii) Expected Contribution to the Funds in the next year

	Year ended March 31, 2012	Year ended March 31, 2011
Gratuity	36	39

(2) 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.

Notes to the financial statements

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

(i) Present Value of Defined Benefit Obligation

	(Figures in ₹ Million)	
	Year ended March 31, 2012	Year ended March 31, 2011
Obligations at year beginning	58	42
Obligations at year beginning consequent to Amalgamation	11	1
Service Cost – Current	18	11
Interest Cost	6	3
Actuarial (gain) / loss	11	7
Benefit Paid	(7)	(6)
Obligations at year end	97	58

(ii) Assets and Liabilities recognized in the Balance Sheet

Present Value of the defined benefit obligations	97	58
Fair value of the plan assets	–	–
Amount recognized as Liability	97	58

Recognized under:

Long Term Provision (Refer Note 9)	94	55
Short Term Provision	3	3

(iii) Defined benefit obligations cost for the year

Service Cost - Current	18	11
Interest Cost	6	3
Expected return on plan assets	–	–
Actuarial (gain) / loss	11	6
Net defined benefit obligations cost	35	20

(iv) Actuarial Assumptions:

	March 31, 2012	March 31, 2011
Discount Rate	8.83%	8.35 %
Future salary increases	7.50%	7.50 %.
Expected return on plan assets	9.40%	9.30%.
Expected Average remaining working lives of employees (years)	28.24	27.67

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

(v) Amount recognized in current year and previous four years

	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Defined benefit obligations	97	58	42	35	25
Plan assets	–	–	–	–	–
Deficit /(Surplus)	97	58	42	35	25

(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 ₹ 166 million (Previous Year ₹ 132 million).

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

	Year Ended March 31, 2012	Year Ended March 31, 2011
Note 28 - OTHER EXPENSES		
Electricity, Water and Fuel	668	518
Repairs and Maintenance	-	-
Machinery	328	295
Building	261	230
Others	192	136
Consumption of Stores & Spare Parts	375	373
Conversion Charges	286	254
Excise Duty expenses ¹	2	15
Lease rent (operating leases) (Refer Note 48)	98	83
Rates and taxes	32	36
Insurance	50	36
Net loss on foreign currency transaction and translation	431	-
Donation	12	11
Travelling	416	345
Freight and forwarding	646	573
Royalty	177	135
Cash Discount	94	103
Commission	4	6
Provision for Diminution in value of Current Investments*	0	0
Provision for Diminution in value of Long Term Investments	-	2
Bad Debts/Advances written off	8	17
Payment to auditors		
Audit fee ²	53	9
Limited Review	5	3
Other services	1	2
Reimbursement of expenses	2	0
Legal and Professional expenses	473	314
Commodity hedging loss	161	-
Miscellaneous expenses	789	597
TOTAL	5,564	4,093

¹ Represents excise duty related to the differences between the closing stock and the opening stock.

² Includes ₹ 8 million relating to earlier period

* Amounts are below the rounding off norm adopted by the Company

(All amounts in ₹ Million, unless otherwise stated)

	Year Ended March 31, 2012	Year Ended March 31, 2011
Note 29 - FINANCE COSTS		
Interest Expense		
Interest on long term borrowings	134	51
Other borrowings	419	235
Others borrowing costs	45	34
TOTAL	598	320

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

	Year Ended March 31, 2012	Year Ended March 31, 2011
Note 30 - DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation on Tangible assets	1,168	828
Amortization on Intangible assets	4	2
Depreciation on Investment property *	0	0
TOTAL	1,172	830

*Amount is below the rounding off norm adopted by the Company

(All amounts in ₹ Million, unless otherwise stated)

	Year Ended March 31, 2012	Year Ended March 31, 2011
Note 31 - PROPOSED DIVIDEND		
On Equity shares of ₹ 1 each		
Amount of dividend proposed	882	1,070
Dividend per equity share	₹ 2.25 per share	₹ 2.75 per share
On Preference shares of ₹ 10 each		
Amount of dividend proposed	8	–
Dividend per preference share	₹ 0.79 per share	–

There are no arrears of dividend related to preference shares

32. Contingent Liabilities

(Figures in ₹ Million)

	As At March 31, 2012	As At March 31, 2011
Claims against the Company not acknowledge as debts		
a) Excise Matters	53	36
b) Custom Demand Matters	–	32
c) Sales Tax Matters	48	21
d) Service Tax Matters	21	6
e) Stamp Duty	5	5
f) Claims made by workmen	13	11
g) Entry Tax Matters	1	–
h) Income Tax Matters	42	–

- (a) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.
- (b) The Company does not expect any reimbursements in respect of the above contingent liabilities.

33. The following expenses incurred on Research and Development is included under respective account heads:

(Figures in ₹ Million)

	As At March 31, 2012	As At March 31, 2011
Employees Remuneration and Benefits	67	56
Other Expenses of Manufacturing and Administration	94	45
Capital Expenditure	17	21

Notes to the financial statements

34. Capital and Other Commitments

(Figures in ₹ Million)

		As At March 31, 2012	As At March 31, 2011
(a) Capital Commitments			
Estimated value of contracts in capital account remaining to be executed		883	1,022
Total		883	1,022
(b) Other Commitments			
The Company has given corporate guarantees in respect of :			
– Subsidiary Companies		12,925	2,560
– Bank Guarantees / Letters of Credit furnished by the Company		197	288

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

35. On November 23, 2011, Samvardhana Motherson B.V. (SMBV), wholly owned subsidiary of Samvardhana Motherson Polymers Limited (SMPL), incorporated in The Netherland, together with its subsidiary Forgu GmbH (together referred to as overseas Special Purpose Vehicles) and Samvardhana Motherson Global Holdings Limited (SMGHL) acquired 80% stake in Peguform GmbH and Peguform Iberica, SL including subsidiaries and joint ventures together with a 50% stake in Wethje Entwicklungs, GmbH and Wethje Carbon Composite, GmbH (together referred to as SMP Group) for a cash consideration of Euro 141.5 million. SMPL is a subsidiary of the Company, in which the Company holds 51% and Samvardhana Motherson Finance Limited holds 49% share. SMGHL is a subsidiary of the Company through wholly owned subsidiary MSSL Mauritius Holdings Limited, in which the Company holds 51% and Samvardhana Motherson Finance Limited holds 49% share.

36. The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

(Figures in ₹ Million)

	As At March 31, 2012	As At March 31, 2011
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	14	6
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	–	–
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	–	–
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	–	–
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	–	–
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	–	–
Further interest remaining due and payable for earlier years	–	–

37. **Amalgamation of Sumi Motherson Innovative Engineering Limited (SMIEL), India Nails Manufacturing Limited (India Nails) & MSSL Global Wiring Limited (MGWL), with the Company**

a) The Company (Motherson Sumi Systems Limited- MSSL) filed for approval of the Hon'ble High Court of Judicature at Delhi arrangements as embodied in the Scheme of Amalgamation ("the Scheme") of the erstwhile Sumi Motherson Innovative Engineering Limited (SMIEL) and wholly owned subsidiaries of MSSL namely, India Nails Manufacturing Limited (India Nails) and MSSL Global Wiring Limited (MGWL), the transferor Companies, with the Company (Motherson Sumi Systems Limited), the transferee Company. The Hon'ble High Court of Judicature of Delhi has vide order dated January 30, 2012 inter alia ordered that with effect from April 1,

Notes to the financial statements

2011 (the Appointed Date) all properties, rights and powers and liabilities and duties of the transferor companies are transferred and vested in MSSL.

- b) SMIEL is engaged in the business of manufacture and sale of moulds, dies and components including plastic injection moulded, dip moulded and press stamping components mainly for automobile sector. MGWL is engaged in the business of manufacture and sale of wiring harnesses and related components primarily for use in automotives. India Nails was earlier undertaking the business of manufacture of shoe nails and ancillary objects and has been proposing to engage in the business of manufacture of wiring harnesses and related components.
- c) Pursuant to the said order its effect has been accounted for under the "pooling of interests" method as prescribed under Accounting Standard (AS-14) notified under Companies (Accounting Standards) Rules, and the specific provisions of the order of the Hon'ble High Court. The certified copy of the order of the Hon'ble High court has been filed with the Registrar of the Companies on March 31, 2012 and a further addendum was filed on April 12, 2012. Accordingly, all the assets and liabilities of the transferor companies as on April 1, 2011 have been recorded by MSSL at their respective amounts.
- d) Pursuant to the order of the Hon'ble High Court in consideration for the above transfer, on amalgamation of SMIEL with the Company under the scheme, the equity shareholders of SMIEL shall, for every 57 equity shares of ₹ 10 each fully paid up held as on the record date, be issued 10 equity shares of ₹ 1/- each of the Company. Accordingly the Company has issued 4,420,360 equity shares on April 23, 2012, thereby increasing its equity capital to ₹ 392 million. Pending issue and allotment of shares as at March 31, 2012, ₹ 4 million has been disclosed under Share Capital Suspense Account.

Further, the preference shares of SMIEL for ₹ 100 million have been redeemed on March 28, 2012.

- e) In view of the amalgamation of SMIEL and wholly owned subsidiaries namely, India Nails and MGWL with the Company effective from April 1, 2011, the figures for the current year are not directly comparable to those of the previous year.

The amount as at April 1, 2011 of the amalgamating companies included in the financial statements of the Company is as below:

(Figures in ₹ Million)

Particulars	SMIEL	India Nails	MGWL
Net Fixed Assets	698	148	231
Net Current Assets	161	(10)	247
(Debit)/Credit Balance of Profit/Loss Account	389	(348)	(40)
General Reserve	64	–	–
Capital Redemption Reserve	50	–	–
Revaluation Reserve	–	76	–
Excess of Assets over Liabilities	248	173	–

Consequently;

- a. In respect of the amalgamation of Sumi Motherson Innovative Engineering Limited (SMIEL) with the Company, the excess of amount of share capital over the par value of the share issued as mentioned in (d) above amounting to ₹ 248 million has been credited to the amalgamation reserve of the Company.
- b. In respect of the amalgamation of wholly owned subsidiaries namely, India Nails and MGWL with the Company, 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 amounting to ₹ 173 million has been credited to the amalgamation reserve of the Company. The said investments by the Company stand cancelled.

Notes to the financial statements

38. Derivative instruments and unhedged foreign currency exposure

a. Derivatives outstanding as at the reporting date

(Figures in Million)

Particulars	Currency	March 31, 2012	March 31, 2011
Hedge of external commercial borrowings	USD	4	5
	JPY	260	405
Hedge of Working Capital Loan in foreign currency	USD	2	–
Sundry Creditors	JPY	–	1,326
Sundry Creditors/Debtors	EUR	–	1
Sundry Creditors*	USD	–	0

b. Particular of unhedged foreign exposure as at the reporting date:

(Figures in Million)

Currency	As At March 31, 2012 Payable/(Receivable)		As At March 31, 2011 Payable/(Receivable)	
	(2)	(4)	(1)	(–)
EUR	(2)	(4)		
GBP	(1)	(–)		
JPY	1299	180		
USD	100	87		
SGD*	0	0		
CHF*	0	0		
AUD*	0	0		
HKD	4	–		
THB	–	2		
AED*	0	0		

* Amounts are below the rounding off norm adopted by the Company.

39. Clause 32 disclosures

a) Loans and advances in the nature of loans to subsidiaries and associates

(Figures in ₹ Million)

Name of Company	Status	Nature	March 31, 2012	March 31, 2011
MSSL Handels GmbH	100% subsidiary	Loan	6	6
Maximum amount outstanding at any time during the year			6	6
MSSL Global Wiring Limited *	100% subsidiary	Loan	–	469
Maximum amount outstanding at any time during the year			–	469
India Nails Manufacturing Limited*	100% subsidiary	Loan	–	82
Maximum amount outstanding at any time during the year			–	82

Notes to the financial statements

b) Loans and advances in the nature of loans to companies in which directors are interested

(Figures in ₹ Million)

Name of Company	Nature	March 31, 2012	March 31, 2011
Motherson Auto Limited [#]	Loan	100	—
Maximum amount outstanding at any time during the year		100	—
Systematic Conscom Limited [#]	Loan	20	—
Maximum amount outstanding at any time during the year		20	—

*Merged with the Company w.e.f. April 1, 2011 (Refer Note 37)

Addition on amalgamation of erstwhile SMIEL with the Company (Refer Note 37).

40. CIF Value of Imports:

(Figures in ₹ Million)

	Year ended March 31, 2012	Year ended March 31, 2011
Raw Materials and Components	11,333	10,470
Capital Goods	952	1,009
Spare Parts	97	114

41. Expenditure in foreign currency on account of:

(Figures in ₹ Million)

	Year ended March 31, 2012	Year ended March 31, 2011
Royalty	177	135
Travelling	63	41
Interest	113	25
Professional Fee	142	74
Technical Assistance Fees	10	16
Rent	13	19
Salaries and other Allowances	53	46
Computer and Software Expenses	9	1
Others (includes training, bank charges, reimbursements etc.)	269	84

The disclosures of current year figures are on accrual basis, however the previous year figures have been disclosed on cash basis.

42. Earnings in foreign currency:

(Figures in ₹ Million)

	Year ended March 31, 2012	Year ended March 31, 2011
FOB Value of Exports *	4,857	3,065
Dividend Received from Subsidiary	517	—
Interest Received from subsidiary **	0	0
Service Income	—	108
Miscellaneous Income	2	19

*Includes Deemed Exports of ₹ 79 million (Previous Year ₹ 460 million)

** Amount is below the rounding off norm adopted by the Company

Notes to the financial statements

43. Dividend remitted in foreign currency:

Dividend on Equity Share Capital

		Year ended March 31, 2012	Year ended March 31, 2011
a)	Amount remitted (Figures in ₹ Million)	300*	170
b)	No of non-resident shareholders	4	1
c)	No of shares held by them (in Million)	118	97
d)	Year to which dividend pertains	Year ended March 31, 2011	Year ended March 31, 2010

*Includes ₹ 34 million remitted by erstwhile Sumi Motherson Innovative Engineering Limited (SMIEL) to its 4 non-resident shareholders on 21 million shares held by them.

Dividend on Preference Share Capital

		Year ended March 31, 2012	Year ended March 31, 2011
a)	Amount remitted (Figures in ₹ Million)	8	–
b)	No. of non-resident shareholders	1	–
c)	No. of shares held by them (in Million)	10	–
d)	Year to which dividend pertains	Year ended March 31, 2011	–

Paid by erstwhile Sumi Motherson Innovative Engineering Limited (SMIEL) on preference shares, which have been redeemed on 28th March, 2012.

44. Details of Consumption and Purchases

(a) Detail of Raw Material /Packing Materials consumed during the year:

(Figures in Million)

	Raw Materials and Components	Year ended March 31, 2012	Year ended March 31, 2011
a)	Copper (MT)	4,461	3,986
b)	Others *	16,267	13,026

*No single raw material or components account for more than 10% of total consumption.

(b) Value of imported and indigenous materials consumed

A. Raw Materials and Components

Particulars	Year ended March 31, 2012		Year ended March 31, 2011	
	(%)	(Figures in ₹ Million)	(%)	(Figures in ₹ Million)
Imported	56	11,682	61	10,397
Indigenous	44	9,046	39	6,615
Total	100	20,728	100	17,012

Notes to the financial statements

B. Stores and Spares

Particulars	Year ended March 31, 2012		Year ended March 31, 2011	
	(%)	(Figures in ₹ Million)	(%)	(Figures in ₹ Million)
Imported	17	64	22	82
Indigenous	83	311	78	291
Total	100	375	100	373

(c) Purchase of Traded Goods

Particulars	Year ended March 31, 2012		Year ended March 31, 2011	
	(%)	(Figures in ₹ Million)	(%)	(Figures in ₹ Million)
Indigenous	100	891	100	895

45. Earnings per share

		Year ended March 31, 2012	Year ended March 31, 2011
a) Basic			
Net Profit after Tax (₹ in million)		3,172	2,875
Less: Dividend on Preference Shares (Including dividend tax) (₹ in million)		9	–
Net profit after tax available for equity Shareholders (₹ in million) -(A)		3,163	2,875
Equity Shares outstanding at year end		387,543,800	387,543,800
Add: Equity shares of ₹ 1/- each to be issued as fully paid up to the shareholders of erstwhile Sumi Motherson Innovative Engineering Limited (SMIEL) pursuant to the scheme of amalgamation. (Refer Note 37)		4,420,360	–
Less: Adjustment in respect of 12,950,000 shares allotted during the year on conversion of Zero Coupon Convertible Bonds.		–	1,487,260
Weighted Average number of equity shares used to compute basic earnings per share- (B)		391,964,160	386,056,540
Basic Earnings (in Rupees) Per Share of ₹ 1/- each. (Previous Year ₹ 1/- each) (A/B)		8.1	7.5
b) Diluted			
Net profit after tax available for equity Shareholders (₹ in million) -(A)		3,163	2,875
Adjustment for net premium & exchange loss / (Gain) on Zero Coupon Convertible Bonds (net of Taxes) (₹ in Million)		–	(31)
Adjusted Net Profit (₹ in Million)		3,163	2,844
Weighted Average number of equity shares used to compute basic earnings per share- (B)		391,964,160	386,056,540
Add: Adjustment on account of Zero Coupon Convertible Bonds		–	1,487,260
Weighted Average number of Equity Shares of ₹ 1/- each (Previous Year ₹ 1/- each) outstanding at the end of the year		391,964,160	387,543,800
Diluted Earnings (in Rupees) Per Share of ₹ 1/- each. (Previous Year ₹ 1/- each)		8.1	7.3

Notes to the financial statements

46. The Company has the following provision in the books of account as on March 31, 2012:

(Figures in ₹ Million)

Description	Warranty		Litigations	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Opening Balance	2	2	19	–
Addition on Amalgamation (Refer Note 39)	40	0*	1	–
Provided during the year	5	1	–	19
Reversed during the year	23	–	–	–
Utilised during the year	13	1	–	–
Closing Balance	11	2	20	19

* Amount is below the rounding off norm adopted by the Company

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.

Provision for litigation relates to sales tax, excise and entry tax demands including interest thereon, where applicable, being contested by the Company. It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

47. 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 Wiring System (FZE) (formerly Motherson Sumi Wiring System Ltd. (FZE)

MSSL Australia Pty Ltd

Motherson Elastomers Pty Limited

Motherson Investments Pty Limited

Motherson Orca Precision Technology GmbH

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.

SMR Automotive Mirror Systems Holding Deutschland GmbH

SMR Poong Jeong Automotive Mirrors Korea Ltd.

Notes to the financial statements

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 Mirror Parts and Holdings UK Ltd.
 SMR Automotive Services Portchester Limited (formerly Portchester Limited)
 SMR Automotive Mirrors UK Limited
 SMR Automotive Technology Valencia S.A.U. (formerly Visiocorp Automotive Valencia S.A.U.)
 SMR Automotive Mirror 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 Patents S.a.R.L.
 SMR Automotive Beteiligungen Deutschland GmbH
 SMR Automotive Brasil Ltda.
 SMR Automotive System (Thailand) Limited
 SMR Automotives Systems Macedonio Dooel Skopje
 SMR Automotive Operations Japan K.K.
 MSSL Automobile Component Ltd
 Samvardhana Motherson Polymers Ltd.
 Vacuform 2000 (Pty) Ltd.
 MSSL México, S.A. De C.V.
 Samvardhana Motherson B.V.
 Forgu GmbH
 SMP Deutschland GmbH(formerly known as Peguform GmbH)
 PurpurinGrundstuecksverwaltungsgesellschaft GmbH & Co. Vermietungs KG
 SMP Automotive Solutions Personalleasings GmbH(Formerly known as Peguform Personaleasing GmbH)
 Peguform Slovakia s.r.o.
 SMP Automotive Technology Management Services (Chanchun) Co. Ltd. (formerly known as Peguform Corporate Management Services (Chanchun) Co. Ltd.).
 Peguform Iberica S.L.
 Peguform Module Division Iberica Cockpits S.L.
 SMP Automotive Technologies Teruel S. L. (formerly Peguform de Teruel S.L.)
 Celulosa Fabril (Cefa) S.A.
 Chanchun Peguform Automotive Plastics Technology Co. Ltd (held by SMP Deutschland GmbH)
 Samvardhana Motherson Peguform Automotive Technology Portugal S.A. (formerly Peguform Portugal S.A.)
 Peguform Mexico S.A. de C.V.
 SMP Tecnologia Parachoques S.A. de C.V. (formerly known as Fabrica de Parachoques de Mexico S.A. de C.V.)
 SMP Shock Absorber Fabrication Mexico S.A. de C.V.(formerly known as Shock Absorb de Mexico S.A de C.V)
 SMP Produtos Automotivos do Brasil Ltda. (formerly Peguform do Brasil Ltda.)

Notes to the financial statements

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) (Indirectly through subsidiary)
 Calsonic Kansei Motherson Auto Products Limited
 Ningbo SMR Huaxiang Automotive Mirrors Co. Limited (Indirectly through subsidiary)
 Celulosa Fabril S.A. (Indirectly through subsidiary)
 Modulos Rivera Alta S.L.U. (Indirectly through subsidiary)

b. Associate Companies:

Saks Ancillaries Limited
 Die Wethje GmbH Kunststofftechnik(Indirectly through subsidiary)
 Wethje Carbon Composite GmbH(Indirectly through subsidiary)
 Wethje Entwicklungs GmbH(Indirectly through subsidiary)
 Re time Pty Limited(Indirectly through subsidiary)

c. Key Management Personnel:

i) Board of Directors:

Mr. M. S. Gujral (Late) (cessation due to death on 04.05.2012)
 Mr. V. C. Sehgal
 Mr. Laksh Vaaman Sehgal
 Mr. Toshimi Shirakawa
 Mr. Toshihiro Watanabe (resigned w.e.f. 25.04.2011)
 Mr. Hideaki Ueshima (appointed on 28.04.2011)
 Mr. Bimal Dhar (resigned w.e.f. 02.09. 2011)
 Mr. Hiroto Murai
 Maj. Gen. Amarjit Singh (Retd.)
 Mr. Pankaj Mital
 Mr. Arjun Puri
 Mr. Futoshi Urai (resigned w.e.f. 13.02. 2012)
 Mr. Masahiro Matsushita (appointed on 13.02.2012 and resigned on 27.03.2012)

ii) Other Key Management Personnel:

Mr. Ravindra Mathur
 Mr. G.N. Gauba
 Mr. Sanjay Mehta

iii) Relatives of Key Management Personnel:

Ms. Renu Sehgal
 Ms. Vidhi Sehgal
 Ms. Geeta Soni
 Ms. Nilu Mehra
 Mr. Harjit Singh

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
 Southcity Motors Limited

Notes to the financial statements

Motherson Techno Tools Limited
 Motherson Techno Tools Mideast (FZE)
 Sumi Motherson Innovative Engineering Limited (SMIEL, now merged with the Company)
 SWS India Management Support & Service (P) Limited
 Vaaman Auto Industry
 A Basic Concepts Design India Private Limited
 Motherson Sumi Infotech and Designs Limited
 Motherson Engineering Research and Integrated Technologies Limited
 Moon Meadows Private Limited
 Sisbro Motor and Workshop Private Limited
 Motoman Motherson Robotics Limited (up to 1st Feb 2011)
 NACHI Motherson Tool Technology Limited
 Motherson
 Samvardhana Motherson Finance Limited (also a joint venturer)
 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
 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
 SCCL Infra Projects 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.

Notes to the financial statements

e. Joint Venturer:

Sumitomo Wiring Systems Limited, Japan
 Kyungshin Corporation, Korea
 Woco Franz Josef Wolf Holding GmbH, Germany
 Calsonic Kansei Corporation, Japan
 E-Compost Pty. Limited, Australia
 Dremotech GmbH & Co. KG, Germany

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 ₹ Million)

S. No	Particulars	Parties mentioned in 47 (I) above		Parties mentioned in 47 (II) (a) above		Parties mentioned in 47 (II) (b) & (d) above		Parties mentioned in 47 (II) (e) above		Parties mentioned in 47 (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	2,425	790	1,028	877	213	225	545	412	—	—
2	Rendering of Services	16	21	230	328	43	36	—	—	—	—
3	Sale of Fixed Assets	—	—	—	9	3	0#	—	—	—	—
4	Purchase of Goods	957	896	31	34	486	1,106	581	300	—	—
5	Purchase of Fixed Assets	32	144	—	—	1,737	1,852	10	4	—	—
6	Purchase of Services	36	17	—	—	754	484	70	13	6*	2*
7	Reimbursement (Net)	103	71	0#	—	193	206	3	6	—	—
8	Investments made during the year	418	1,297	—	70	—	—	—	—	—	—
9	Purchase of Shares	—	—	—	—	—	—	—	149	—	—
10	Investment Redeemed	—	34	—	18	—	—	—	—	—	—
11	Royalty	—	—	—	—	—	—	174	138	—	—
12	Remuneration/ Sitting Fees of Directors & Key Management Persons	—	—	—	—	—	—	—	—	21	26
13	Interest Income	0#	0#	—	—	18	7	—	—	—	—
14	Interest Expense	—	—	—	—	4	2	—	—	—	—
15	Dividend Paid	—	—	—	—	387	247	266	170	42**	27**
16	Dividend Income	516	—	199	199	1	2	—	—	—	—
17	Loans Received during the year	—	—	—	—	30	30	—	—	—	—
18	Loans Given during the year	—	413	—	—	120	50	—	—	—	—
19	Loans Repaid during the year	—	—	—	—	20	35	—	—	—	—
20	Loans Received back during the year	—	162	—	—	—	50	—	—	—	—
21	Security Deposits Received	0#	—	—	—	9	1	—	—	—	—
22	Security Deposits Repaid	—	—	—	1	—	1	—	—	—	—
	Balance as at year end										
23	Investments	3,541	3,277***	223	223	28	28	—	—	—	—
24	Loans Receivable (after reinstatement)	7	551	—	—	120	—	—	—	—	—
25	Loans Payable	—	—	—	—	45	35	—	—	—	—
26	Advances Receivable	30	54	4	1	112	141	—	—	—	—
27	Security Deposit Received	2	2	40	40	19	13	—	—	—	—
28	Security Deposits Given	—	—	—	—	3	1	—	—	1	1
29	Guarantees Closing	12,925	2,560	—	—	—	—	—	—	—	—
30	Trade Payable	373	350	3	2	329	351	195	67	—	—
31	Trade Receivable	958	530	144	155	135	53	32	47	—	—
32	Advances	5	—	0#	—	—	—	1	—	—	—

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

* Rent of ₹ 3 million (Previous Year ₹ 2 million) paid to Mr. V.C Sehgal, Mr. Laksh Vaaman Sehgal, Ms. Renu Sehgal, Ms. Vidhi Sehgal.

Notes to the financial statements

** Dividend of ₹ 42 million (Previous Year ₹ 27 million) paid to Mr. V. C. Sehgal, Ms. Renu Sehgal, Ms. Neelu Mehra, Ms. Geeta Soni, Mr. Bimal Dhar, Mr. Pankaj Mital, Mr. M.S. Gujral and Mr. G.N. Gauba.

*** Includes investments in India Nails Manufacturing Limited and MSSL Global Wiring Limited, now merged with the Company w.e.f. April 1, 2011.

Amount is below the rounding off norm adopted by the Company

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

(Figures in ₹ Million)

Nature	Party Name	2011-12		2010-11	
		Amount	Party Name	Amount	Party Name
Sale of Goods	SMR Automotive Mirror Technology Hungary Bt	403	SMR Automotive Systems India Limited	305	
	MSSL Japan Limited	861	Kyungshin Industrial Motherson Limited	775	
	Kyungshin Industrial Motherson Limited	897	Sumitomo Wiring Systems Limited, Japan	412	
	Sumitomo Wiring Systems Limited, Japan	545			
Rendering of Services	Kyungshin Industrial Motherson Limited	209	Kyungshin Industrial Motherson Limited	307	
Sale of Fixed Assets	Systematic Conscos Ltd.	3	Calsonic Kansei Motherson Auto Products Ltd.	9	
Purchase of Goods	Motherson Electrical Wires Lanka Pvt. Ltd.	640	Motherson Electrical Wires Lanka Pvt. Ltd.	578	
	MSSL GB Ltd	253	Sumi Motherson Innovative Engineering Limited	673	
	CTM India Limited	333	CTM India Limited	270	
	Sumitomo Wiring Systems Limited, Japan	547	Sumitomo Wiring Systems Limited, Japan	298	
Purchase of Fixed Assets	Systematic Conscos Ltd.	1,619	Systematic Conscos Ltd.	1,700	
Purchase of Services	Motherson Auto Limited	98	Motherson Auto Limited	62	
	Motherson Air Travel Agencies Limited	158	Motherson Air Travel Agencies Limited	77	
	Motherson Sumi Infotech & Designs Limited	242	Motherson Sumi Infotech & Designs Limited	141	
	Saks Ancillaries Ltd.	141	Saks Ancillaries Ltd.	138	
	MSSL Global RSA Module Engineering Limited	38	Motherson Air Travel Agencies Limited	33	
Investment made during the year	Systematic Conscos Limited	178	Systematic Conscos Limited	160	
	MSSL Mauritius Holdings Limited	264	MSSL Mauritius Holdings Limited	1,022	
	MSSL Mideast (FZE)	148	India Nails Manufacturing Limited (Formerly India Nails Manufacturing Private Limited)	153	
Purchase of Shares		–	Balda AG, Germany	149	
Sale of Shares/Redemption		–	MSSL (S) Pte Limited	34	
		–	Woco Motherson Advanced Rubber & Tech Limited	18	
		–			
Royalty	Sumitomo Wiring Systems Limited, Japan	174	Sumitomo Wiring Systems Limited, Japan	135	
Remuneration / Sitting Fees of Directors & Key Management Personnel	Mr. Pankaj Mital	7	Mr. Pankaj Mital	6	
			Mr. Toshihiro Watanabe	4	
	Mr. G. N. Gauba	7	Mr. G. N. Gauba	6	
	Mr. Sanjay Mehta	4	Mr. Vivek Avasthi	4	
	Mr. Harjit Singh	3	Mr. Sanjay Mehta	3	
Interest Income	Motherson Auto Limited	16	Motherson Auto Limited	7	
	Systematic Conscos Limited	2			
Interest Expense	Saks Ancillaries Limited	4	Saks Ancillaries Limited	2	
Dividend Paid	Samvardhana Motherson Finance Limited	387	Samvardhana Motherson Finance Limited	246	
	Sumitomo Wiring Systems Limited, Japan	267	Sumitomo Wiring Systems Limited, Japan	170	
Dividend Income	Kyungshin Industrial Motherson Limited	172	Kyungshin Industrial Motherson Limited	172	
	Motherson Electrical Wires Lanka Pvt. Ltd.	516	WOCO Motherson Advanced Rubber & Tech. Ltd.	28	
Loans Received during the year	Saks Ancillaries Limited	30	Saks Ancillaries Limited	29	
Loans Given during the year	Motherson Auto Limited	100	India Nails Manufacturing Limited (Formerly India Nails Manufacturing Private Limited)	82	
	Systematic Conscos Limited	20	MSSL Global Wiring Limited	330	
Loans Repaid during the year			Sumi Motherson Innovative Engineering Ltd.	50	
	Saks Ancillaries Ltd	20	Saks Ancillaries Ltd	35	
Loans Received back during the year		–	MSSL Global Wiring Limited	101	
			SMR Automotive Systems India Limited	61	
			Sumi Motherson Innovative Engineering Limited	50	
Security Deposits Received	CTM India Limited	9	CTM India Limited	1	
Security Deposit Repaid/ Given		–	Calsonic Kansei Motherson Auto Products Limited	1	
		–	Motherson Auto Limited	1	
Balances as at year end					
Loans Payable	Saks Ancillaries Limited	45			
Loan Receivable	Motherson Auto Limited	100	MSSL Global Wiring Limited	469	
	Systematic Conscos Limited	20	India Nails Manufacturing Limited (Formerly India Nails Manufacturing Private Limited)	82	

Notes to the financial statements

(Figures in ₹ Million)

Nature	2011-12		2010-11	
	Party Name	Amount	Party Name	Amount
Advances Receivable	Motherson Auto Limited	106	Systematic Concom Limited	37
	Samvardhana Motherson Global Holdings Limited	30	CTM India Limited	99
Security Deposits Received	Kyungshin Industrial Motherson Limited	30	Motherson Auto Limited	103
	CTM India Limited	11	Kyungshin Industrial Motherson Limited	30
Security Deposits Given	Motherson Auto Limited	3	Motherson Auto Limited	1
	Laksh Vaaman Sehgal	1	Laksh Vaaman Sehgal	1
Guarantee Closing	Samvardhana Motherson Reflectec Group Holdings Limited	5,129	Samvardhana Motherson Reflectec Group Holdings Limited	2,560
	Forgu GmbH, Germany	4,823		
Trade Payable	Samvardhana Motherson B.V., Netherland	2,210		
	Motherson Electrical Wires Lanka Pvt. Ltd.	307	Motherson Electrical Wires Lanka Pvt. Ltd.	307
	Systematic Concom Limited	236	Systematic Concom Limited	337
Trade Receivable	Sumitomo Wiring Systems limited, Japan	191		
	SMR Automotive Mirror Technology Hungary Bt	227	Kyungshin Industrial Motherson Limited	129
	Kyungshin Industrial Motherson Limited	123		
Advance Payable	MSSL Japan Limited	412	MSSL Japan Limited	220
	Motherson Electrical Wires Lanka Pvt. Ltd.	4		
	Systematic Concom Limited	1		
	Sumitomo Wiring Systems Limited, Japan	1		

48. Leases

As a lessee:

(i) Operating Lease

The Company has significant operating leases for premises. These lease arrangements range for a period between 11 months and 10 years, which include both cancellable and non cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses. The Company has entered into some sub-leases and all such subleases are cancellable and are for a period of 11 months, with an option of renewal on mutually agreeable terms.

(Figures in ₹ Million)

	Year ended March 31, 2012	Year ended March 31, 2011
With respect to all operating leases;		
Lease payments recognised in the Statement of Profit and Loss during the year	98	83
Sub-lease payments received / receivable recognised in the Statement of Profit and Loss during the year	58	64

With respect to non-cancellable operating leases, the future minimum lease payments are as follows:

(Figures in ₹ Million)

	Year ended March 31, 2012	Year ended March 31, 2011
Not Later than one year	9	–
Later than one year and not later than five years.	28	–
Later than 5 years	330	–

49. SEGMENT REPORTING

The Company has considered the business segment as the primary reporting segment on the basis that the risk and returns of the Company is primarily determined by the nature of products and services. Consequently, the geographical segment has been considered as a secondary segment.

The business segment have been identified on the basis of the nature of products and services, the risks and returns, internal organisation and management structure and the internal performance reporting systems.

Notes to the financial statements

The business segment comprise of the following:

Segments	Products categories in respective segments
Automotive	Wiring Harness, High Tension Cords, Wire, Plastic Components, Rubber Components, Cockpit Assembly, Mould for wiring harness components and mould parts, plastic moulded components and brass terminals
Non Automotive	Wiring Harness, Pen-Stamp Assembly, Plastic Components for white goods, Household Wires, Plates, Aerobin

Geographical segment is considered based on sales within India and outside India

a) Information about Primary Business Segments

(Figures in ₹ Million)

	Automotive		Non automotive		Unallocated		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Segment revenue								
External	33,016	26,476	3,233	2,711	796	293	37,045	29,480
Inter-segment	445	488	—	—	—	—	445	488
Total revenue[#]	32,571	25,988	3,233	2,711	796	293	36,600	28,992
Results								
Segment result	4,133	3,648	395	291	—	—	4,528	3,939
Interest expense (net of Interest income)	—	—	—	—	548	284	548	284
Other Unallocable (net of Income)	—	—	—	—	(365)	(290)	(365)	(290)
Profit before taxation	—	—	—	—	—	—	4,345	3,945
Provision for taxation (net)	—	—	—	—	1,173	1,070	1,173	1,070
Net profit after tax	—	—	—	—	—	—	3,172	2,875
Other items								
Segment assets	23,930	18,891	2,313	1,855	3,931	4,174	30,174	24,920
Segment liabilities	5,454	4,406	924	869	11,037	9,563	17,415	14,838
Capital expenditure	3,275	3,539	174	191	—	—	3,449	3,730
Depreciation & Impairment	1,056	747	116	83	—	—	1,172	830
Amortization of Premium on Redemption of Zero Coupon Foreign currency convertible bonds	—	—	—	—	—	3	—	3

Excluding Interest income.

b) Information about Secondary Business Segment

(Figures in ₹ Million)

	India		Outside India *		Unallocated		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue by geographical markets								
External	30,901	25,909	4,903	2,791	796	292	36,600	28,992
Total	30,901	25,909	4,903	2,791	796	292	36,600	28,992
Carrying amount of segment assets	25,681	20,040	562	707	3,931	4,173	30,174	24,920
Addition to fixed assets	3,446	3,730	3	—	—	—	3,449	3,730

* Includes Europe, Americas, Asia Pacific, Middle East and Australia

c) 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.

Notes to the financial statements

50. Interests in Joint Ventures:

The Company's interests, as a venture, in jointly controlled entities as at March 31, 2012 are:

Name of the Company	Country of Incorporation	% Voting power held as at March 31, 2012	% Voting power held as at March 31, 2011
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 ₹ Million)

Particulars	March 31, 2012	March 31, 2011
Assets		
Fixed Assets	295	339
Capital Work in Progress	3	2
Intangible Asset under development	1	–
Non Current Assets	116	80
Current Assets	2,265	1,846
Liabilities		
Non Current Liabilities	36	34
Current Liabilities	1,657	1,265
Deferred Tax (Net)	(19)	(9)
Reserves & Surplus	782	752
Revenue		
Sales	4,701	4,043
Other Income	21	43
Expenditure	4,326	3,659
Profit before Tax	396	428
Provision for Tax	123	116
Profit after Tax	273	312
Contingent Liabilities		
- In respect of Excise, Sales tax & Service tax matters	13	9
- Bank Guarantees	–	–
Capital Commitment	6	5

51. 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.

Notes to the financial statements

52. The financial statements for the year ended March 31, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to current year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

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 28, 2012

V.C. SEHGAL
Vice Chairman

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

HIDEAKI UESHIMA
Director

PANKAJ MITAL
Chief Operating Officer

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

S. No	Particulars	Reporting Dates used for Consolidation	Reporting Currency	Number of shares held in Subsidiary Company as on reporting date:	Equity (Nos.)	Extent of Holding (%)	Preference (Nos.)	Extent of Holding (%)	Net aggregate amounts of profits/(losses) of the Subsidiary Companies so far as it concerns the members of the Holding Company and is not dealt with or provision is made for those losses in the Accounts of the Holding Company	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 for the previous financial year of the Subsidiary Companies for the financial year ended March 31,2012 (Figures in million)	Profits for the previous financial years of the Subsidiary Companies for the financial year ended March 31,2012 (Figures in million)	Profits for the previous financial years of the Subsidiary Companies since it became a subsidiary of the Holding Company (Figures in million)	Reporting Currency	INR	Reporting Currency	INR	Changes in the interest of the subsidiary company in the financial year of the subsidiary and that of the Holding Company	Material changes between the end of the financial year of the subsidiary and that of the Holding Company
1	MSSL Mauritius Holdings Limited	December 31, 2011	EUR	37,820,080 Equity Share of EUR 1 each	37,820,080	100%	—	—	Nil	Nil	(0.92)	(62.1)	(0.12)	(8.33)	NA	NA	NA	NA	
2	Motherson Electrical Wires Lanka Pvt. Ltd.	March 31, 2012	USD	1,456,202 Equity Shares of \$LR 10 each	1,456,202	100%	—	—	Nil	Nil	5.97	303.61	24.21	1,231.56	NA	NA	NA	NA	
3	MSSL Mideast (FZE)	March 31, 2012	EUR	16,575,001 1 equity share (Previous year 1.) of AED 150,000 equivalent to Euro 46,875 and 165,75,000 equity share of Euro 1 each	16,575,001	100%	—	—	Nil	Nil	6.01	407.63	29.22	1,983.52	NA	NA	NA	NA	
4	MSSL (S) Pvt Ltd	March 31, 2012	SGD	100,000 Equity Shares of SGD 1 each and 4,500,000 Preference Shares of SGD 1 each	100,000	100%	4,500,000	100%	Nil	Nil	(0.03)	(1.38)	0.65	26.39	NA	NA	NA	NA	
5	MSSL Handels GmbH	March 31, 2012	EUR	1 Equity Share of EUR 35,000 each	1	100%	—	—	Nil	Nil	(0.01)	(0.43)	(0.12)	(8.00)	NA	NA	NA	NA	
6	MSSL Automobile Component Ltd.	March 31, 2012	INR	50,000 Equity Shares of ₹ 10 each	50,000	100%	—	—	Nil	Nil	(0.02)	(0.02)	—	—	NA	NA	NA	NA	
7	Samvardhana Motherson Polymers Ltd.	March 31, 2012	INR	522,750 Equity Shares of Rs. 10 each	1,025,000	51%	—	—	Nil	Nil	(3.60)	(3.60)	—	—	NA	NA	NA	NA	
8	MSSL GB Limited ¹	December 31, 2011	GBP	1,000 Equity Shares of GBP 1 each held by MSSL Mideast (FZE)	1,000	100%	—	—	Nil	Nil	0.30	24.04	(0.47)	(38.38)	NA	NA	NA	NA	
9	Motherson Wiring System (FZE) ¹	March 31, 2012	EUR	32,100 Equity Shares of EUR 1 each held by MSSL Mideast (FZE)	32,100	100%	—	—	Nil	Nil	(0.43)	(29.37)	(0.33)	(22.38)	NA	NA	NA	NA	
10	MSSL Tooling Limited (FZE) ¹	March 31, 2012	EUR	1,500 Equity Shares of AED 100 each equivalent to EUR 32,504 held by MSSL Mideast (FZE)	1,500	100%	—	—	Nil	Nil	1.27	85.87	(1.14)	(77.33)	NA	NA	NA	NA	
11	MSSL GmbH ¹	December 31, 2011	EUR	250,000 Equity Shares of EUR 1 each held by MSSL Mideast (FZE)	250,000	100%	—	—	Nil	Nil	(0.97)	(65.52)	(10.12)	(686.77)	NA	NA	NA	NA	
12	MSSL Polymers GmbH ¹	December 31, 2011	EUR	1 Equity Share of EUR 51,200 each held by MSSL GmbH	1	100%	—	—	Nil	Nil	0.03	1.86	1.15	77.87	NA	NA	NA	NA	
13	Samvardhana Motherson Invest Deutschland GmbH ¹	December 31, 2011	EUR	1 Equity Share of EUR 200,000 each held by MSSL GmbH	1	100%	—	—	Nil	Nil	0.00	0.00	—	—	NA	NA	NA	NA	
14	MSSL Advanced Polymers S.r.o ¹	December 31, 2011	CZK	1 Equity Share of EUR 72,900 each held by MSSL GmbH	1	100%	—	—	Nil	Nil	(26.61)	(72.95)	25.32	69.41	NA	NA	NA	NA	
15	Motherson Orca Precision Technology GmbH ¹	December 31, 2011	EUR	1 Equity Share of EUR 51,000 each and 1 Equity Share of EUR 900,000 each held by MSSL GmbH	3	95.1%	—	—	Nil	Nil	(0.99)	(67.52)	(2.75)	(186.85)	NA	NA	NA	NA	
16	MSSL s.r.l. Unipersonale ¹	December 31, 2011	EUR	1 Equity Share of EUR 10,000 each held by MSSL GmbH	1	100%	—	—	Nil	Nil	0.01	0.37	(0.12)	(8.20)	NA	NA	NA	NA	
17	MSSL Australia Pty Limited ³	March 31, 2012	AUD	8,000 Equity Shares of AUD 1 each and 2,792,000 Preference Shares of AUD 1 each held by MSSL (S) Pty Ltd.	10,000	80%	3,490,000	80%	Nil	Nil	0.42	21.89	2.56	134.69	NA	NA	NA	NA	
18	Motherson Eastomers Pty. Ltd. ³	March 31, 2012	AUD	100 Equity Shares of AUD 1 each held by MSSL Australia Pty Ltd	100	100%	—	—	Nil	Nil	0.54	28.40	3.30	173.78	NA	NA	NA	NA	

Indian Rupee figures have been arrived at by applying the year end interbank exchange rate, Euro 1 = ₹ 67.88, USD 1 = ₹ 50.87, SGD 1 = ₹ 40.46, GBP 1 = ₹ 66.65, JPY 1 = ₹ 2.74, AUD 1 = ₹ 52.60, ZAR 1 = ₹ 81.44, CZK 1 = ₹ 2.74, AUD 1 = ₹ 0.61, KRW 1 = ₹ 0.04, CNY 1 = ₹ 8.08, HUF 1 = ₹ 0.23, MXP 1 = ₹ 3.97, THB 1 = ₹ 1.65

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

Name of the Subsidiary Companies

S. No	Particulars	Reporting Dates used for Consolidation	Reporting Currency	Number of shares held in Subsidiary Company as on reporting date:	Equity (Nos.)	Extent of Holding (%)	Preference (Nos.)	Extent of Holding (%)	Net aggregate amounts of profits/(losses) of the Subsidiary Companies so far as it concerns the members of the Holding Company and is not dealt with or provision is made for those losses in the Accounts of the Holding Company	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 for the previous financial year of the Subsidiary Companies for the financial year ended March 31, 2012	Profits for the previous financial year of the Subsidiary Companies for the financial year ended March 31, 2012 (Figures in million)	Profits/Losses of the Subsidiary Companies for the financial year ended March 31, 2012 (Figures in million)	Profits for the previous financial year of the Subsidiary Companies since it became a subsidiary of the Holding Company (Figures in million)	Reporting Currency	INR	Reporting Currency	INR	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	Material changes between the end of the financial year of the subsidiary and that of the Holding Company
19	Motherson Investment Pty. Ltd. ⁶	March 31, 2012	AUD	100 Equity Shares of AUD 1 each held by MSSL Australia Pty. Ltd	100	100%	—	—	Nil	Nil	(0.04)	(2.24)	(0.21)	(10.92)	NA	NA	NA	NA	NA	
20	MSSL Ireland Private Ltd. ²	December 31, 2011	EUR	5,000 Equity Shares of EUR 10 each held by MSSL Mauritius Holdings Limited	5,000	100%	—	—	Nil	Nil	0.04	3.02	0.04	2.48	NA	NA	NA	NA	NA	
21	Global Environment Management (FZC) ²	December 31, 2011	AUD	75,100 Equity Shares of AED 1 each equivalent to AUD 27,265 and 6,941.542 Equity Shares of AUD 1 each held by MSSL Mauritius Holdings Limited	7,700,000	7882%	—	—	Nil	Nil	(0.13)	(7.05)	(2.89)	(151.97)	NA	NA	NA	NA	NA	
22	Global Environment Management Australia Pty Ltd. ⁴	December 31, 2011	AUD	2 Equity Shares of AUD 1 each held by Global Environment (FZC)	2	100%	—	—	Nil	Nil	(0.22)	(11.82)	(4.78)	(251.46)	NA	NA	NA	NA	NA	
23	MSSL Global RSA Module Engineering Ltd. ²	March 31, 2012	ZAR	60,000,000 Equity Shares of ZAR 1 each held by MSSL Mauritius Holdings Limited	60,000,000	100%	—	—	Nil	Nil	(24.69)	(164.17)	(10.31)	(68.59)	NA	NA	NA	NA	NA	
24	MSSL Japan Limited ³	March 31, 2012	JPY	350 Equity Shares of JPY 50000 each held by MSSL (S) Pre Ltd	350	100%	—	—	Nil	Nil	(19.76)	(121.4)	(53.07)	(32.61)	NA	NA	NA	NA	NA	
25	Vacuform 2000 (Pty) Ltd. ²	March 31, 2012	ZAR	51 Equity Shares of ZAR 1 each held by	100	51%	—	—	Nil	Nil	(9.31)	(61.88)	—	—	NA	NA	NA	NA	NA	
26	Samvardhana Motherson Global Holdings Limited ²	March 31, 2012	EUR	1,020,000 Equity Shares of EUR 1 each and 5,100 Preference Shares of EUR 1 each held by MSSL Mauritius Holdings Limited	2,000,000	51%	10,000	51%	Nil	Nil	(0.43)	(29.28)	(0.72)	(49.20)	NA	NA	NA	NA	NA	
27	Samvardhana Motherson Reflective Group Holdings Limited ²	March 31, 2012	EUR	2,850,000,000 Equity share of EUR 0.01 each held by Samvardhana Motherson Global Holdings (Cyprus) Ltd	3,045,000,000	93.6%	—	—	Nil	Nil	(4.24)	(288.07)	15.43	1,047.06	NA	NA	NA	NA	NA	
28	SMR Automotive Holding Hong Kong Limited ⁸	March 31, 2012	EUR	1 Equity share of HKD 1 each and 2,304,000 Equity shares of EUR 1 each held by Samvardhana Motherson Reflective Group Holdings Ltd.	2,300,401	100%	—	—	Nil	Nil	(0.24)	(16.22)	(0.46)	(31.32)	NA	NA	NA	NA	NA	
29	SMR Automotive Technology Holding Cyprus Ltd. ⁸	March 31, 2012	EUR	1,684,980 Equity shares of EUR 1 each held by Samvardhana Motherson Reflective Group Holdings Ltd.	1,684,980	100%	—	—	Nil	Nil	(0.76)	(5.159)	(1.68)	(113.76)	NA	NA	NA	NA	NA	
30	SMR Automotive Mirror Systems Holding Deutschland GmbH ⁸	March 31, 2012	EUR	1 Equity share of EUR 25,000 each and 4 Equity shares of EUR 100 each held by SMR Holdings UK Ltd.	5	100%	—	—	Nil	Nil	(1.07)	(72.36)	(2.25)	(152.79)	NA	NA	NA	NA	NA	
31	SMR Poong Jeong Automotive Mirrors Korea Ltd. ⁸	March 31, 2012	KRW	723,820 Equity shares of KRW 5000 each held by SMR Automotive Mirror Systems Holding Deutschland GmbH	805,356	90%	—	—	Nil	Nil	10,941.73	491.96	30,571.89	1,374.57	NA	NA	NA	NA	NA	

Indian Rupee figures have been arrived at by applying the year end interbank exchange rate, Euro 1 = ₹ 67.88, USD 1 = ₹ 50.87, SGD 1 = ₹ 40.46, GBP 1 = ₹ 66.65, ZAR 1 = ₹ 2.74, AUD 1 = ₹ 52.60, CZK 1 = ₹ 81.44, CZK 1 = ₹ 0.61, KRW 1 = ₹ 0.04, CNY 1 = ₹ 8.08, HUF 1 = ₹ 0.23, MXN 1 = ₹ 3.97, THB 1 = ₹ 1.65

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

S. No	Particulars	Reporting Dates used for Consolidation	Reporting Currency	Number of shares held in Subsidiary Company as on reporting date:	Equity (Nos.)	Extent of Holding (%)	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 31 st March, 2012	Profits for the previous financial year of the Subsidiary Companies since it became a subsidiary of the Holding Company	Profits/losses of the Subsidiary Companies for the financial year ended March 31,2012 (Figures in million)	Profits for the previous financial years of the Subsidiary Companies since it became a subsidiary of the Holding Company (Figures in million)	Reporting Currency	INR	Reporting Currency	INR	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	Material changes between the end of the financial year of the subsidiary and that of the Holding Company	
32	SMR Hyosang Automotive Ltd. ⁸	March 31, 2012	KRW	90,000 Equity shares of KRW 5000 each held by SMR Poong Jeong Automotive Mirrors Korea Ltd.	90,000	90%	–	–	Nil	2,431.88	109.34	6,753.35	303.64	NA	NA	NA	NA	NA	NA	
33	SMR Holding Australia Pty Limited ⁸	March 31, 2012	AUD	15,296,248 Equity shares of AUD 1 each held by SMR Automotive Mirror Technology	15,296,248	100%	–	–	Nil	Nil	Nil	(0.05)	(2.79)	(260)	(136.84)	NA	NA	NA	NA	NA
34	SMR Automotive Australia Pty Limited ⁸	March 31, 2012	AUD	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.	3,030,804	100%	–	–	Nil	Nil	7.76	408.32	24.97	1,313.80	NA	NA	NA	NA	NA	NA
35	SMR Automotive Taree Pty Limited ⁸	March 31, 2012	AUD	4,500,160 Ordinary Equity shares and 1,330,000 Class A shares of AUD 2 each held by SMR Holding Australia Pty. Ltd.	5,850,160	100%	–	–	Nil	Nil	–	–	(2.54)	(133.74)	NA	NA	NA	NA	NA	NA
36	SMR Automotive Mirror Technology Hungary Bt ⁸	March 31, 2012	EUR	The Company is Limited Partnership Company, EUR 872,029 contributed by SMR Automotive Technology Holding Cyprus Ltd. and EUR 5,242 contributed by SMR Automotive Mirror Technology Holding Hungary (Kft)	–	100%	–	–	Nil	Nil	(15.48)	(0.050.58)	(2.44)	(165.48)	NA	NA	NA	NA	NA	NA
37	SMR Grundbesitz GmbH & Co. KG ⁸	March 31, 2012	EUR	1 Equity share of Euro 51,700 each held by SMR Automotive Mirror Systems Holding Deutschland GmbH	2	94%	–	–	Nil	Nil	0.67	45.27	1.94	131.87	NA	NA	NA	NA	NA	NA
38	SMR Automotive Mirror Parts and Holdings UK Ltd ⁸	March 31, 2012	EUR	102 Equity shares of GBP 1 each held by Samvardhana Motherson Refractories Group UK Ltd.	102	100%	–	–	Nil	Nil	1.26	85.73	8.33	565.44	NA	NA	NA	NA	NA	NA
39	SMR Automotive Services Porchester Limited ⁸	March 31, 2012	GBP	12,000,000 Equity shares and 3,600,000 shares GBP 0.10 each held by SMR Automotive Mirror Parts and Holdings UK Ltd.	15,600,000	100%	–	–	Nil	Nil	–	–	–	–	NA	NA	NA	NA	NA	NA
40	SMR Automotive Mirrors UK Limited ⁸	March 31, 2012	EUR	2 Equity shares of GBP 1 each held by SMR Automotive Mirror Parts and Holdings UK Ltd.	2	100%	–	–	Nil	Nil	3.66	248.70	10.31	699.63	NA	NA	NA	NA	NA	NA
41	SMR Automotive Technology Valencia SAU ⁸	March 31, 2012	EUR	249,741 Equity shares of EUR 10 each held by SMR Automotive Mirror Parts and Holdings UK Ltd.	249,741	100%	–	–	Nil	Nil	(0.75)	(50.57)	(0.98)	(66.57)	NA	NA	NA	NA	NA	NA

Indian Rupee figures have been arrived at by applying the year-end interbank exchange rate, Euro 1 = ₹ 67.88, USD 1 = ₹ 50.87, SGD 1 = ₹ 40.46, GBP 1 = ₹ 81.44, CZK 1 = ₹ 2.74, AUD 1 = ₹ 52.60, ZAR 1 = ₹ 6.65, JPY 1 = ₹ 0.61, KRW 1 = ₹ 0.04, CNY 1 = ₹ 8.08, HUF 1 = ₹ 0.23, MYR 1 = ₹ 3.07, THB 1 = ₹ 1.15

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

Name of the Subsidiary Companies

S. No	Particulars	Reporting Dates used for Consolidation	Reporting Currency	Number of shares held in Subsidiary Company as on reporting date:	Equity (Nos.)	Extent of Holding (%)	Preference (Nos.)	Extent of Holding (%)	Net aggregate amounts of profits/(losses) of the Subsidiary Companies so far as it concerns the members of the Holding Company and is not dealt with or provision is made for those losses in the Accounts of the Holding Company	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 for the previous financial year of the Subsidiary Companies for the financial year ended March 31, 2012 (Figures in million)	Profits for the previous financial years of the Subsidiary Companies for the financial year ended March 31, 2012 (Figures in million)	Profits for the previous financial years of the Subsidiary Companies since it became a subsidiary of the Holding Company (Figures in million)	Profits for the previous financial year of the subsidiary and that of the holding Company	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	Material changes between the end of the financial year of the subsidiary and that of the holding Company
42	SMR Automotive Services UK Ltd. ⁸	March 31, 2012	GBP	100 Equity shares of GBP 1 each held by SMR Automotive Mirror Parts and Holdings UK Ltd.	100	100%	–	–	Nil	Nil	0.04	3.01	0.08	6.71	NA	NA
43	SMR Automotive Technology Holdings USA Partners ⁸	March 31, 2012	USD	99 % Shares held by SMR Automotive Mirror Parts and Holdings UK Ltd. and 1 % by SMR Automotive Mirror Services UK Ltd.	–	100%	–	–	Nil	Nil	(3.78)	(192.29)	(12.47)	(634.58)	NA	NA
44	SMR Automotive Mirror International USA Inc. ⁸	March 31, 2012	USD	100 Equity shares of USD 0.01 each held by SMR Automotive Technology Holdings USA Partners	100	100%	–	–	Nil	Nil	0.50	25.64	(1.02)	(51.73)	NA	NA
45	SMR Automotive Systems USA Inc. ⁸	March 31, 2012	USD	7,500 Equity shares of USD 10 each held by SMR Automotive Mirror International USA Inc.	7,500	100%	–	–	Nil	Nil	2.53	128.65	13.43	683.04	NA	NA
46	SMR Automotive Systems France S.A. ⁸	March 31, 2012	EUR	651,105 Equity shares of EUR 0.2046 each held by SMR Automotive Technology Holding Cyprus Ltd.	651,105	100%	–	–	Nil	Nil	(9.27)	(628.94)	(19.76)	(1,241.29)	NA	NA
47	SMR Automotive Systems India Limited ⁸	March 31, 2012	INR	13,700,000 Equity shares of Rs.10 each by held Moherson Sumi Systems Ltd. and 6,987,010 Equity shares held by SMR Automotive Technology Holding Cyprus Ltd.	13,700,000	100%	–	–	Nil	Nil	52.92	336.43	336.43	NA	NA	NA
48	SMR Automotive Yancheng Co. Limited ⁸	March 31, 2012	CNY	100 % Shares held by SMR Automotive Holding Hong Kong Limited	–	100%	–	–	Nil	Nil	12.29	99.30	30.45	245.98	NA	NA
49	SMR Automotive Beijing Company Limited ⁸	March 31, 2012	CNY	100 % Shares held by SMR Automotive Holding Hong Kong Limited	–	100%	–	–	Nil	Nil	12.16	98.26	20.45	165.17	NA	NA
50	SMR Automotive Mirror Technology Holding Hungary Kft ⁸	March 31, 2012	HUF	1 Equity share of HUF 3,000,000 held by SMR Automotive Technology Holding Cyprus Ltd.	1	100%	–	–	Nil	Nil	(242.52)	(525.95)	(257.30)	(59.36)	NA	NA
51	SMR Automotive Systems Spain S.A.U. ⁸	March 31, 2012	EUR	194,000 Equity shares of EUR 6.01 each held by SMR Automotive Parts GmbH	194,000	100%	–	–	Nil	Nil	2.10	142.34	7.07	479.87	NA	NA
52	SMR Automotive Vision Systems Mexico S.A. de C.V. ⁸	March 31, 2012	MXP	64.68 % Shares held by SMR Automotive Parts GmbH and 35.32 % by SMR Automotive Systems Spain S.A.U (7,400 fixed shares of USD 10 each and 7,908,915 variable shares of USD 10 each)	7,916,315	100%	–	–	Nil	Nil	3.06	12.17	10.37	41.22	NA	NA

Indian Rupee figures have been arrived at by applying the year end interbank exchange rate, Euro 1 = ₹ 67.88, USD 1 = ₹ 50.87, SGD 1 = ₹ 40.46, GBP 1 = ₹ 66.55, JPY 1 = ₹ 52.60, ZAR 1 = ₹ 2.74, AUD 1 = ₹ 0.61, KRW 1 = ₹ 0.04, CNY 1 = ₹ 8.08, HUF 1 = ₹ 0.23, MXN 1 = ₹ 3.97, THB 1 = ₹ 1.65

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

S. No	Particulars	Reporting Dates used for Consolidation	Reporting Currency	Number of shares held in Subsidiary Company as on reporting date:	Equity (Nos.)	Extent of Holding (%)	Preference (Nos.)	Extent of Holding (%)	Net aggregate amounts of profits/(losses) of the Subsidiary Companies so far as it concerns the members of the Holding Company and is not dealt with or provision is made for those losses in the Accounts of the Holding Company	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 for the previous financial year of the Subsidiary Companies for the financial year ended March 31,2012 (Figures in million)	Profits for the previous financial years of the Subsidiary Companies since it became a subsidiary of the Holding Company (Figures in million)	Profits for the previous financial year of the subsidiary and that of the holding Company	Changes in the interest of the holding company in the subsidiary and that of the holding Company	Material changes between the end of the financial year of the subsidiary and that of the Holding Company	
53	SMR Automotive Servicios Mexico S.A. de C.V. ⁸	March 31,2012	MXP	49,999 Equity shares of USD 1 each held by SMR Automotive Vision Systems Mexico S.A. de C.V	50,000	100%	–	–	Nil	Nil	0.40	1.59	(0.09)	(0.37)	NA	NA
54	SMR Automotive Mirrors Stuttgart GmbH (formerly known as SMR Automotive Parts GmbH till 27th Feb, 2011) ⁸	March 31,2012	EUR	1 Equity share of EUR 25,000 each held by SMR Automotive Mirror Systems Holding Deutschland GmbH	1	100%	–	–	Nil	Nil	6.88	467.12	(1.54)	(104.63)	NA	NA
55	SMR Patents S.r.l. ⁸	March 31,2012	EUR	500 Equity shares of EUR 25 each held by SMR Automotive Mirror Parts and Holdings UK Ltd.	500	100%	–	–	Nil	Nil	3.01	204.44	1.14	77.08	NA	NA
56	SMR Automotive Beteiligungen Deutschland GmbH ⁸	March 31,2012	EUR	1 Equity share of EUR 25,000 each held by SMR Automotive Mirror Systems Holding Deutschland GmbH	1	100%	–	–	Nil	Nil	0.48	32.31	2.74	186.06	NA	NA
57	SMR Automotive Brasil Ltda. ⁸	March 31,2012	BRL	23,306.303 share of BRL 1 each held by SMR Automotive Mirror Technology Holding Hungary Kft	23,306.303	100%	–	–	Nil	Nil	(6.31)	(175.87)	(8.10)	(225.72)	NA	NA
58	SMR Automotive Systems (Thailand) Limited ⁸	March 31,2012	THB	10,000,000 ordinary share of THB 2.50 each held by SMR Automotive Technology Holding Cyprus Ltd.	10,000,000	100%	–	–	Nil	Nil	(28.59)	(47.17)	(31.24)	(51.55)	NA	NA
59	SMR Automotive Operations Japan KK ⁸	March 31,2012	JPY	200,000 shares of JPY 62.5 each held by SMR Automotive Mirror Technology Holding Hungary Kft	200,000	100%	–	–	Nil	Nil	–	–	–	–	NA	NA
60	SMR Automotive Systems Macedonia Dooei Skopje ⁸	March 31,2012	EUR	1 share of EUR 5000 each held by SMR Automotive Mirror Technology Holding Hungary Kft	1	100%	–	–	Nil	Nil	–	–	–	–	NA	NA
61	Samvardhana Motherson BV(NL) ⁹	March 31,2012	EUR	18,000 Equity Shares of EUR 1 each held by Samvardhana Motherson Polymers Limited	18,000	100%	–	–	Nil	Nil	(3.09)	(209.44)	–	–	NA	NA
62	Forgu GmbH ¹⁰	March 31,2012	EUR	25,000 Equity Shares of EUR 1 each held by Samvardhana Motherson B.V.	25,000	100%	–	–	Nil	Nil	(5.27)	(357.55)	–	–	NA	NA
63	SMP Deutschland GmbH (formerly known as Peguform GmbH) ¹¹	March 31,2012	EUR	4 shares of Euro 18,700 held by Forgu GmbH, 2 shares of Euro 1,300 held by Samvardhana Motherson Global Holdings Ltd.	8	80%	–	–	Nil	Nil	(7.10)	(481.61)	–	–	NA	NA
64	SMP Automotive Solutions Personal Leasings GmbH ¹²	March 31,2012	EUR	25,000 Equity Shares of EUR 1 each held by SMP Deutschland GmbH	25,000	100%	–	–	Nil	Nil	0.04	3.05	–	–	NA	NA
65	Peguform Slovakia s.r.o. ¹²	March 31,2012	EUR	5,000 shares of EUR 1 each held by SMP Deutschland GmbH	5,000	100%	–	–	Nil	Nil	(0.96)	(65.04)	–	–	NA	NA

Indian Rupee figures have been arrived at by applying the year end interbank exchange rate, Euro 1 = ₹ 67.88, USD 1 = ₹ 50.87, SGD 1 = ₹ 4046, GBP 1 = ₹ 81.44, CZK 1 = ₹ 6.65, JPY 1 = ₹ 0.61, KRW 1 = ₹ 52.60, ZAR 1 = ₹ 2.74, AUD 1 = ₹ 1.65, MXP 1 = ₹ 3.97, THB 1 = ₹ 1.65

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

Name of the Subsidiary Companies

S. No	Particulars	Reporting Dates used for Consolidation	Reporting Currency	Number of shares held in Subsidiary Company as on reporting date:	Equity (Nos.)	Extent of Holding (%)	Preference (Nos.)	Extent of Holding (%)	Net aggregate amounts of profits/(losses) of the Subsidiary Companies so far as it concerns the members of the Holding Company and is not dealt with or provision is made for those losses in the Accounts of the Holding Company	Net aggregate amounts 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	Changes in the interest of the company in the subsidiary between the financial year of the subsidiary and that of the Holding Company	Material changes in the end of the financial year of the subsidiary and that of the Holding Company	
66	Changchun Peguform Automotive Plastics Technology Co. Ltd. ¹²	March 31, 2012	CNY	83,000,000 Equity Shares of 1 Rmb each	83,000,000	50%+ 1share	–	–	Nil	Nil	42.24	341.18	–
67	SMP Automotive Technology (Changchun) Co. Ltd. ¹²	March 31, 2012	CNY	200,000 USD Equity Shares	200,000	100%	–	–	Nil	Nil	(2.36)	(19.08)	–
68	Peguform Iberica S.L. ¹³	March 31, 2012	EUR	1,892,000 shares of EUR 6.01 each held by AMBV	2,365,000	80%	–	–	Nil	Nil	(4.82)	(327.25)	–
69	Peguform Module Division Iberica Cockpits S.L. ¹³	March 31, 2012	EUR	323,779 fully paid shares of EUR 0.76 each	323,779	100%	–	–	Nil	Nil	(0.43)	(29.15)	–
70	SMP Automotive Technologies Teruel S.L. ¹³	March 31, 2012	EUR	3,000,000 shares of EUR 1 each	3,000,000	100%	–	–	Nil	Nil	(0.02)	(1.60)	–
71	Samvardhana Motherson Peguform Automotive Technology Portugal S.A. ¹³	March 31, 2012	EUR	50,000 shares of EUR 1 each	50,000	100%	–	–	Nil	Nil	(0.56)	(37.76)	–
72	Peguform Mexico S.A. de C.V. ¹³	March 31, 2012	MXP	38,427 shares of \$1000 each	38,427	100%– 1share	–	–	Nil	Nil	9.69	38.50	–
73	SMP Tecnologia Parachoque S.A. de C.V. ¹³	March 31, 2012	MXP	49 shares of 1000 MXP held by Peguform Iberica S.L. and 1 share of 1000 MXP held by SMP Automotive Systems Mexico S.A.C.V	50	100%– 1share	–	–	Nil	Nil	(0.13)	(0.50)	–
74	SMP Shock Absorber Fabrication Mexico S.A. de C.V. ¹³	March 31, 2012	MXP	49 shares of 1000 MXP held by Peguform Iberica S.L. and 1 share of 1000 MXP held by SMP Automotive Systems Mexico S.A.C.V	50	100%– 1share	–	–	Nil	Nil	0.12	0.48	–
75	SMP Produtos Automotivos do Brasil Ltda. ¹³	March 31, 2012	BRL	37,505,861 Shares of Reals 1 each	37,505,861	100%– 1share	–	–	Nil	Nil	(10.13)	(282.20)	–

Notes

- Subsidiary of MSSL Mideast (FZE)
- Subsidiary of MSSL Mauritius Holdings Limited
- Subsidiary of MSSL (S) Pte. Ltd.
- Subsidiary of MSSL GmbH
- Subsidiary of Global Environment Management (FZC)
- Subsidiary of MSSL Australia Pty. Limited
- Subsidiary of Samvardhana Motherson Global Holdings Limited
- Subsidiary of Samvardhana Motherson Reflectec Group Holdings Limited
- Subsidiary of Samvardhana Motherson B.V.(NL)
- Subsidiary of Forgi GmbH & Samvardhana Motherson Global Holdings Limited
- Subsidiary of SMP Deutschland GmbH
- Indian Rupee figures have been arrived at by applying the year end interbank exchange rate, Euro 1 = ₹ 67.88, USD 1 = ₹ 50.87, SGD 1 = ₹ 40.46, GBP 1 = ₹ 81.44, CZK 1 = ₹ 2.74, AUD 1 = ₹ 52.60, ZAR 1 = ₹ 0.61, KRW 1 = ₹ 0.04, CNY 1 = ₹ 8.08, HUF 1 = ₹ 0.23, MXN 1 = ₹ 3.97, THB 1 = ₹ 1.65

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 Dates on which Holding as at 31/03/2012	Reporting Currency	Exchange Rate	Share Capital	Reserve and Surplus	Total Liabilities	Net Fixed Assets	Investment (Current & Non Current)	Total Assets	Sales	PBT	Taxation	PAT
1	MSSL Mauritius Holdings Limited	Mauritius	100.0% December 31, 2011	EUR	67.88	2,567	(70)	2,949	—	1,482	2,949	—	(59)	3	(62)
2	Motherson Electrical Wires Lanka Pvt. Ltd.	Sri Lanka	100.0% March 31, 2012	USD	50.87	8	1,065	1,165	87	—	1,165	1,678	336	33	304
3	MSSL Middleast (FZE)	UAE	100.0% March 31, 2012	EUR	67.88	1,128	2,393	4,460	63	1,067	4,460	1,877	408	—	408
4	MSSL (S) Pre Ltd	Singapore	100.0% March 31, 2012	SGD	40.46	186	14	253	63	143	253	—	(1)	0	(1)
5	MSSL Handels GmbH	Austria	100.0% March 31, 2012	EUR	67.88	2	(8)	0	0	—	0	—	(0)	0	(0)
6	MSSL Automobile Component Ltd.	India	100.0% March 31, 2012	INR	1.00	1	(0)	0	—	—	0	—	(0)	—	(0)
7	Samvardhana Motherson Polymers Ltd.	India	51.0% March 31, 2012	INR	1.00	10	(4)	7	—	5	7	—	(4)	—	(4)
8	MSSL GB Limited ¹	UK	100.0% December 31, 2011	GBP	81.44	0	(14)	261	2	—	261	799	31	7	24
9	Motherson Wiring System (FZE) ¹	UAE	100.0% March 31, 2012	EUR	67.88	2	(52)	127	83	—	127	—	(29)	—	(29)
10	MSSL Tooling Limited (FZE) ¹	UAE	100.0% March 31, 2012	EUR	67.88	240	9	324	31	—	324	367	86	—	86
11	MSSL CambH ¹	Germany	100.0% December 31, 2011	EUR	67.88	17	56	667	69	403	667	83	(66)	—	(66)
12	MSSL Polymers GmbH ¹	Germany	100.0% December 31, 2011	EUR	67.88	3	93	142	16	—	142	401	2	2	2
13	Samvardhana Motherson Invest Deutschland GmbH ¹	Germany	100.0% December 31, 2011	EUR	67.88	14	64	348	289	—	348	61	(0)	(0)	0
14	MSSL Advanced Polymers S.r.l. ²	Czech Republic	100.0% December 31, 2011	CZK	2.74	5	28	744	556	—	744	530	(77)	(4)	(73)
15	Motherson Orca Precision Technology GmbH	Germany	95.1% December 31, 2011	EUR	67.88	68	24	356	34	—	356	919	(68)	(0)	(68)
16	MSSL srl. Unipersonale ²	Italy	100.0% December 31, 2011	EUR	67.88	1	(8)	157	514	1	0	514	—	1	0
17	MSSL Australia Pty Limited ³	Australia	80.0% March 31, 2012	AUD	52.60	184	0	202	727	158	—	1340	44	31	9
18	Motherson Eastlomers Pty. Ltd. ⁴	Australia	100.0% March 31, 2012	AUD	52.60	0	(13)	225	220	—	225	—	(2)	0	(2)
19	Motherson Investment PTY. Ltd. ⁶	Australia	100.0% March 31, 2012	AUD	52.60	0	—	—	—	—	—	—	—	—	—
20	MSSL Ireland Private Ltd. ²	Ireland	100.0% December 31, 2011	EUR	67.88	3	6	10	0	—	10	—	3	0	3
21	Global Environment Management (FZE) ²	UAE	78.8% December 31, 2011	AUD	52.60	354	(159)	282	6	0	282	37	(7)	—	(7)
22	Global Environment Management Australia Pty Ltd ⁵	Australia	100.0% December 31, 2011	AUD	52.60	0	(263)	16	0	—	16	28	(12)	—	(12)
23	MSSL Global R&D Module Engineering Ltd ²	South Africa	100.0% March 31, 2012	ZAR	6.65	399	(233)	2,216	1,252	—	2,216	728	(164)	0	(164)
24	MSSL Japan Limited ³	Japan	100.0% March 31, 2012	JPY	0.61	11	(40)	394	5	—	394	959	(12)	0	(12)
25	Vacuform 2000 (Pty) Ltd. ²	South Africa	100.0% March 31, 2012	ZAR	0.65	0	(135)	200	124	—	200	197	(62)	—	(62)
26	Samvardhana Motherson Global Holdings Limited ²	Cyprus	51.0% March 31, 2012	EUR	67.88	136	1,729	2,506	—	2,313	2,506	—	(29)	—	(29)
27	Samvardhana Motherson Reflective Group Holdings Limited ⁷	Jersey	93.6% March 31, 2012	EUR	67.88	2,067	1,210	8,854	—	3,986	8,854	—	(304)	—	(304)
28	SMR Automotive Holding Hong Kong	Hong Kong	100.0% March 31, 2012	EUR	67.88	156	91	279	—	157	279	—	104	—	104
29	SMR Automotive Technology Holding Cyprus Ltd. ⁸	Cyprus	100.0% March 31, 2012	EUR	67.88	130	1,382	2,569	—	2,499	2,569	—	(50)	—	(50)
30	SMR Automotive Mirror Systems Holding Deutschland GmbH ⁹	Germany	100.0% March 31, 2012	EUR	67.88	2	(1,389)	11,262	69	5,928	11,262	—	211	47	164
31	SMRPong Jeong Automotive Mirrors Korea Ltd. ³	South Korea	90.0% March 31, 2012	KRW	0.04	203	1,880	4,022	1,205	480	4,022	11,461	569	(33)	602
32	SMR Hyosang Automotive Ltd. ³	South Korea	90.0% March 31, 2012	KRW	0.04	20	461	942	492	—	942	2,284	143	27	116
33	SMR Holding Australia Pty Limited ⁸	Australia	100.0% March 31, 2012	AUD	52.60	1,785	(14)	1,772	—	1,703	1,772	316	302	(7)	309
34	SMR Automotive Australia Pty	Australia	100.0% March 31, 2012	AUD	52.60	594	757	3,191	735	9	3,191	5,903	578	163	415
35	SMR Automotive Taree Pty Limited ⁸	Australia	100.0% March 31, 2012	AUD	52.60	615	(615)	0	—	0	—	—	—	—	—
36	SMR Automotive Mirror Technology Hungary Kft ¹⁰	Hungary	100.0% March 31, 2012	EUR	67.88	60	(135)	7,542	3,467	—	7,542	13,941	(933)	—	(933)
37	SMR Grundbesitz GmbH & Co. KG ³	Germany	94.0% March 31, 2012	EUR	67.88	4	303	1,229	406	—	1,229	—	53	8	45

Indian Rupee figures have been arrived at by applying the year end interbank exchange rate, Euro 1 = ₹ 67.88, USD 1 = ₹ 50.87, SGD 1 = ₹ 40.46, GBP 1 = ₹ 81.44, CZK 1 = ₹ 6.65, JPY 1 = ₹ 0.61, KRW 1 = ₹ 1,678, HUF 1 = ₹ 2,74, AUD 1 = ₹ 52.60, ZAR 1 = ₹ 1,04, CNY 1 = ₹ 0.04, CNH 1 = ₹ 0.04, THB 1 = ₹ 3.97, MXN 1 = ₹ 165.

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	MSSI No	Dates on which financial year of the subsidiary company ends	Reporting Currency	Exchange Rate	Share Capital	Reserve and Surplus	Total Liabilities	Net Fixed Assets	Investment (Current & Non Current)	Total Assets	Sales	PBT	Taxation	PAT
38	SMR Automotive Mirror Parts and Holdings UK Ltd ⁸	UK	100.0%	March 31, 2012	EUR	67.88	0	(76.78)	15,187	—	1,496	15,187	—	86	—	86
39	SMR Automotive Services	UK	100.0%	March 31, 2012	GBP	87.44	127	(127)	—	—	—	—	—	—	—	—
40	SMR Automotive Mirrors UK Limited ⁸	UK	100.0%	March 31, 2012	EUR	67.88	0	1,888	3,996	594	—	3,996	8,371	246	94	152
41	SMR Automotive Technology Valencia S.A. ⁹	Spain	100.0%	March 31, 2012	EUR	67.88	353	(175)	260	157	4	260	—	(12)	—	(12)
42	SMR Automotive Services UK Ltd ⁸	UK	100.0%	March 31, 2012	GBP	81.44	49	(37)	13	—	2	13	—	—	—	—
43	SMR Automotive Technology USA Holdings USA Partners ⁸	USA	100.0%	March 31, 2012	USD	50.87	1,114	(2,625)	4,421	—	4,421	4,421	—	(192)	—	(192)
44	SMR Automotive Mirror International USA Inc. ⁸	USA	100.0%	March 31, 2012	USD	50.87	4,777	428	5,621	—	4,212	5,621	—	26	—	26
45	SMR Automotive Systems USA Inc. ⁸	USA	100.0%	March 31, 2012	USD	50.87	4	2,093	3,299	999	—	3,299	6,182	140	1	139
46	SMR Automotive Systems France France S.A. ⁸	France	100.0%	March 31, 2012	EUR	67.88	1,749	35	1,727	719	—	1,727	3,630	(500)	(9)	(492)
47	SMR Automotive Systems India Limited ⁸	India	100.0%	March 31, 2012	INR	1.00	137	439	1,260	307	—	1,260	3,024	87	30	57
48	SMR Automotive Yancheng Co. Limited ⁸	China	100.0%	March 31, 2012	CNY	8.08	158	109	421	52	—	421	757	130	38	92
49	SMR Automotive Beijing Company Limited ⁸	China	100.0%	March 31, 2012	CNY	8.08	27	293	598	91	—	598	1,625	158	48	109
50	SMR Automotive Mirror Technology Holding Hungary Kft ⁸	Hungary	100.0%	March 31, 2012	HUF	0.23	1	243	939	—	933	939	1	228	—	228
51	SMR Automotive Systems Spain	Spain	100.0%	March 31, 2012	EUR	67.88	79	319	2,188	574	—	2,188	2,327	203	61	142
52	SMR Automotive Vision Systems Mexico SA de CV ⁸	Mexico	100.0%	March 31, 2012	MXP	3.97	315	113	1,858	516	23	1,858	2,034	169	51	117
53	SMR Automotive Servicios Mexico SA de CV ⁸	Mexico	100.0%	March 31, 2012	MXP	3.97	0	22	67	—	—	67	251	9	8	1
54	SMR Automotive Mirrors Stuttgart GmbH (formerly known as SMR Automotiv) Stuttgart GmbH (formerly known as SMR Automotiv) Gmbh till 7th feb, 2011 ⁸	Germany	100.0%	March 31, 2012	EUR	67.88	2	75	3,720	76	7	3,720	35	483	33	449
55	SMR Patients s.Arl. ⁸	Luxembourg	100.0%	March 31, 2012	EUR	67.88	1	(76)	426	—	—	426	—	230	25	204
56	SMR Automotive Beteiligungen Deutschland GmbH ⁸	Germany	100.0%	March 31, 2012	EUR	67.88	2	305	849	—	—	849	—	(109)	3	(112)
57	SMR Automotive Brasil Ltda. ⁸	Brasil	100.0%	March 31, 2012	BRL	23.86	649	(215)	933	848	—	933	1	(163)	—	(163)
58	SMR Automotive System (Thailand) Limited ⁸	Thailand	100.0%	March 31, 2012	THB	1.65	165	(52)	436	377	—	436	—	(48)	—	(48)
59	SMR Automotive Operations Japan Japan KK ⁸	Japan	100.0%	March 31, 2012	JPY	0.61	15	—	15	—	—	15	—	—	—	—
60	SMR Automotive Systems Macedonia Macedonia Dooei Skopje ⁸	Macedonia	100.0%	March 31, 2012	EUR	67.88	0	(0)	0	—	—	0	—	(0)	—	(0)
61	Samvardhana Motherson B.V.(NL) ⁹	Netherlands	100.0%	December 31, 2011	EUR	67.88	1	(205)	3,779	—	3,439	3,779	—	(209)	—	(209)
62	Forgo GmbH ¹⁰	Germany	100.0%	December 31, 2011	EUR	67.88	—	(668)	7,811	—	7,492	7,811	—	(670)	—	(670)
63	SMP Deutschland GmbH (formerly known as Pegiform GmbH) ¹¹	Germany	80.0%	December 31, 2011	EUR	67.88	2	4,642	26,747	9,207	753	26,747	62,380	61	42	19
64	SMP Automotive Solutions Personaleasing's GmbH ¹²	Germany	100.0%	December 31, 2011	EUR	67.88	2	22	34	—	—	34	146	4	1	3
65	Pegiform Slovakia s.r.o. ¹²	Slovakia	100.0%	December 31, 2011	EUR	67.88	0	(82)	182	111	—	182	136	(80)	0	(80)
66	Changchun Pegiform Automotive Plastics Technology Co., Ltd ¹²	China	50%+1 share	December 31, 2011	CNY	8.08	670	2,720	5,357	1,690	—	5,357	1,359	903	126	777
67	SMP Automotive Technology Management Services (Changchun) Co. Ltd ¹²	China	100.0%	December 31, 2011	CNY	8.08	11	(31)	13	3	—	13	—	(21)	3	(24)

Indian Rupee figures have been arrived at by applying the year end interbank exchange rate, Euro 1 = ₹ 67.88, USD 1 = ₹ 50.87, SGD 1 = ₹ 40.46, GBP 1 = ₹ 66.65, ZAR 1 = ₹ 81.44, AUD 1 = ₹ 2.74, CNY 1 = ₹ 0.04, CNY 1 = ₹ 0.61, KRW 1 = ₹ 8.08, HUF 1 = ₹ 0.23, MXN 1 = ₹ 3.97, THB 1 = ₹ 1.65

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 Dates on which Holding as at 31/03/2012 the subsidiary company ends	Reporting Currency	Exchange Rate	Share Capital	Reserve and Surplus	Total Liabilities	Net Fixed Assets	Total Assets (Current & Non Current)	Sales	PBT	Taxation	PAT
68	Pegiform Iberica S.L. ¹⁰	Spain	80.0% December 31, 2011	EUR	67.88	965	1,534	10,993	2,133	1,879	10,993	8,513	(348)	198
69	Iberica Cockpits S.L. ¹³	Spain	100.0% December 31, 2011	EUR	67.88	17	19	1,889	298	355	1,889	21,063	16	5
70	SMP Automotive Technologies Spain	Spain	100.0% December 31, 2011	EUR	67.88	204	(37)	546	370	5	546	566	(19)	1
71	Samvardhana Motherson Pegiform Automotive Technology Portugal S.A. ¹³	Portugal	100.0% December 31, 2011	EUR	67.88	3	47	817	250	—	817	6,423	49	1
72	SMP Tecnologia Mexico S.A. de C.V. ¹³	Mexico	100%-1 share	MXP	3.97	251	187	1,850	313	—	1,850	2,865	(61)	(8)
73	SMP Tecnologia Parachoques S.A. de C.V. ¹³	Mexico	100%-1 share	MXP	3.97	0	6	18	—	—	18	139	3	(53)
74	SMP Shock Absorber Fabrication Mexico S.A. de C.V. ³	Mexico	100%-1 share	MXP	3.97	0	17	48	—	—	48	—	5	(1)
75	SMP Produtos Automotivos do Brasil Ltda. ¹³	Brazil	100%-1 share	BRL	27.86	1,045	(1,306)	4,504	2,311	—	4,504	5,651	(834)	—

Notes

- 1 Subsidiary of MSSL Mideast (FZE)
- 2 Subsidiary of MSSL Mauritius Holdings Limited
- 3 Subsidiary of MSSL (SI) Pte Ltd.
- 4 Subsidiary of MSSL GmbH
- 5 Subsidiary of Global Environment Management (FZC)
- 6 Subsidiary of MSSL Australia Pty Limited
- 7 Subsidiary of Samvardhana Motherson Global Holdings Limited
- 8 Subsidiary of Samvardhana Motherson Reflectec Group Holdings Limited
- 9 Subsidiary of Samvardhana Motherson Polymers Limited
- 10 Subsidiary of Samvardhana Motherson B.V(NL)
- 11 Subsidiary of Forgi GmbH & Samvardhana Motherson Global Holdings Limited
- 12 Subsidiary of Pegiform Iberica S.L.
- 13 Indian Rupee figures have been arrived at by applying the year end interbank exchange rate, Euro 1 = ₹ 67.88, USD 1 = ₹ 50.87, SGD 1 = ₹ 40.46, GBP 1 = ₹ 81.44, CZK 1 = ₹ 2.74, AUD 1 = ₹ 52.60, ZAR 1 = ₹ 6.65, JPY 1 = ₹ 0.61, KRW 1 = ₹ 0.04, CNY 1 = ₹ 8.08, HUF 1 = ₹ 0.23, MXP 1 = ₹ 3.97, THB 1 = ₹ 1.65

Consolidated Financial Statements

Auditor's Report on the Consolidated Financial Statements of Motherson Sumi Systems Limited

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 [3.3] to the attached consolidated financial statements) as at March 31, 2012, the related consolidated Statement of Profit and Loss 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 (i) twenty subsidiaries and three jointly controlled entities included in the consolidated financial statements, which constitute total assets of ₹ 88,786 million and net assets of ₹ 13,732 million as at March 31, 2012, total revenue of ₹ 102,215 million, net profit of ₹ 70 million and net cash flows amounting to ₹ 664 million for the year then ended. These financial statements and other financial information have been audited by other auditors whose report(s) 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 auditor(s) on separate financial statements and on the other financial information of the component(s) 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, 2012;
 - (b) in the case of the consolidated Statement of Profit and Loss, 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

Place: Noida
Date: May 28, 2012

Anupam Dhawan
Partner
Membership Number F084451

Consolidated Balance Sheet

(All amounts in ₹ Millions, unless otherwise stated)

	Note	As At March 31, 2012	As At March 31, 2011
Equity and Liabilities			
Shareholders' Funds			
Share capital	3	388	388
Reserves and surplus	4	18,325	15,700
		18,713	16,088
Share Capital Suspense account	5	4	-
Minority Interest		5,027	2,276
Non Current Liabilities			
Long term borrowings	6	29,611	6,611
Deferred tax liabilities (net)	7	1,506	256
Other long term liabilities	8	1,640	660
Long term provisions	9	992	557
		33,749	8,084
Current Liabilities			
Short term borrowings	10	11,678	4,812
Trade payables	11	30,981	11,200
Other current liabilities	12	16,898	5,614
Short term provisions	13	3,512	3,299
		63,069	24,925
TOTAL EQUITY AND LIABILITIES		120,562	51,373
Assets			
Non Current Assets			
Fixed Assets	14		
Tangible assets		45,077	17,295
Intangible assets		1,845	350
Capital work in progress		4,444	3,921
Intangible assets under development		14	-
Non current investments	15	938	465
Deferred tax assets (net)	16	904	246
Long term loans and advances	17	1,555	927
Other non-current assets	18	1,395	94
		56,172	23,298
Current Assets			
Current investments*	19	0	0
Inventories	20	22,496	10,376
Trade receivables	21	30,127	9,560
Cash & bank balances	22	4,557	3,532
Short term loans and advances	23	7,209	4,606
Other current assets	24	1	1
		64,390	28,075
TOTAL ASSETS		120,562	51,373
Summary of significant accounting policies	2		
*Amount is below the rounding off norm adopted by the Company			

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

The notes are an integral part of these consolidated financial statements

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 28, 2012

V.C. SEHGAL
Vice Chairman

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

HIDEAKI UESHIMA
Director

PANKAJ MITAL
Chief Operating Officer

Consolidated Statement of Profit & Loss

(All amounts in ₹ Millions, unless otherwise stated)

	Note	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
Revenue			
Revenue from operations (gross)	25	151,381	85,405
Less: Excise duty		3,615	2,914
Revenue from operations (net)		147,766	82,491
Other Income	26	1,445	1,687
Total Revenue		149,211	84,178
Expenses			
Cost of materials consumed	27	93,375	51,927
Purchase of stock-in-trade		891	895
Statement of changes in inventories of finished goods, work-in-progress and stock in trade	28	1,169	(1,369)
Employee benefit expenses	29	23,170	12,588
Other expenses	30	20,236	10,782
Total Expenses		138,841	74,823
Profit before Interest, depreciation and exceptional items		10,370	9,355
Finance Costs	31	1,649	576
Profit for the year before depreciation and exceptional items		8,721	8,779
Depreciation and Amortization Expense	32	3,796	2,465
Exceptional Items (Gains)/ losses	33	809	-
Profit before tax		4,116	6,314
Tax expenses			
-Current tax		2,025	1,862
-Deferred tax expense/ (credit)		93	(14)
-Fringe benefit tax		42	42
-Income tax for earlier years		(7)	(5)
Profit after tax before share of results of associates and minority interests		1,963	4,429
Less: Minority Interest		(631)	523
Add: Share of net profit of Associates		2	2
Profit for the year from continuing operations		2,596	3,908
Earnings per share (Nominal value per share : ₹ 1/- (Previous year : ₹ 1/-)			
Basic : ₹ per share		6.6	10.1
Diluted : ₹ Per share		6.6	10.0
Summary of significant accounting policies	2		

This is the Consolidated Profit & Loss Account 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 28, 2012

The notes are an integral part of these consolidated financial statements

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 Cash Flow Statement

(All amounts in ₹ Millions, unless otherwise stated)

	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
A. Cash flow from operating activities:		
Net (loss)/profit before tax and exceptional/extraordinary items	4,927	6,314
Adjustments for:		
Share of profit in associate	(2)	(2)
Depreciation & Impairment	3,814	2,479
Interest expenditure	1,649	576
Interest income	(118)	(80)
Dividend income	(1)	(3)
Lease rent	–	39
(Profit) / Loss on sale of tangible assets (net)	(109)	(99)
Provision for diminution in value of current investment *	0	–
Debts / Advances written off	98	68
Liability no longer required written back	(208)	(356)
Provision for employee benefits	33	104
Provision for warranty	74	15
Other provisions	–	(423)
Unrealised foreign currency loss	1,883	113
Operating profit before working capital changes	12,040	8,745
Change in working Capital:		
(Increase)/Decrease in trade and other payables	2,605	3,673
(Increase)/Decrease in trade receivables	(8,202)	(1,896)
(Increase)/Decrease in inventories	445	(3,624)
(Increase)/Decrease in other receivables	1,795	(1,238)
Cash generated from operations	8,683	5,660
- Taxes (Paid) / Received (Net of TDS)	(2,031)	(1,555)
Net cash generated from operations before extraordinary items	6,651	4,105
- Extraordinary /exceptional Item (Expense)/ Income	(764)	–
Net cash generated from operating activities	5,887	4,105
B. Cash flow from Investing activities:		
Purchase/ additions of tangible / intangible assets	(10,758)	(7,874)
Sale of tangible / intangible assets	421	306
Sale / (purchase) of investments	(22)	4
Sale of investment in mutual fund	–	3
Purchase of minority interest in subsidiary	(1)	–
Interest received (revenue)	72	44
Dividend received	2	3
Consideration paid on acquisition of subsidiaries	(9,958)	(540)
Consideration paid on acquisition of associates	(454)	–
Net cash used in investing activities	(20,698)	(8,054)

(All amounts in ₹ Millions, unless otherwise stated)

	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
C. Cash flow from financing activities:		
Proceeds from Minority Shareholders	5	–
Dividend Paid	(1,063)	(677)
Dividend Distribution Tax	(174)	(113)
Interest paid	(1,471)	(568)
Proceeds from Long Term borrowings	26,181	5,080
Proceeds from Short Term borrowings	15,314	577
Proceeds from Working Capital Facilities (net)	–	2,554
Repayment of Long Term Borrowings	(13,726)	(499)
Repayment of Short Term Borrowings	(11,166)	(2,305)
Proceeds from Share Allotment	(100)	–
Finance Lease Rent (interest part only)	–	(39)
Net cash used in financing activities	13,800	4,010
Net Increase/(Decrease) in Cash & Cash Equivalents	(1,011)	61
Net Cash and Cash equivalents at the beginning of the year	3,480	3,431
Cash and cash equivalents as at April 1, 2011 - acquired consequent to amalgamation of India Nails, MGWL and SMIEL (Refer note 38)	1,957	–
Cash and cash equivalents as at current year closing	4,426	3,492
	945	62
Cash and cash equivalents comprise		
Cash on hand	27	20
Cheques / drafts on hand	18	86
Balance with Banks	4,384	3,374
Cash and cash equivalents as per Balance Sheet (restated)	4,429	3,480
Effect of exchange differences on balance with banks in foreign currency	(3)	12
Total	4,426	3,492

(i) Figures in brackets indicate cash outgo.

* Amount is below the rounding off norm adopted by the Company

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 28, 2012

V.C. SEHGAL
Vice Chairman

HIDEAKI UESHIMA
Director

PANKAJ MITAL
Chief Operating Officer

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

Notes to the consolidated financial statements

1. General Information

Motherson Sumi Systems Limited (MSSL or 'the Company') is incorporated in India on 19th December 1986 and is engaged primarily in the manufacture and sale of components to automotive original equipment manufacturers. The Company is a public limited company and is listed on the Bombay Stock Exchange, National Stock Exchange, Ahmedabad Stock Exchange and Delhi Stock Exchange. The Company is a joint venture entity between Samvardhana Motherson Finance Limited (SMFL) and Sumitomo Wiring Systems Limited, Japan. The group comprises of MSSL and its directly and indirectly held 80 subsidiaries, 8 Joint ventures and 5 associates. The group has manufacturing plants primarily in India, Sri Lanka, Thailand, Sharjah, Australia, United Kingdom (UK), Germany, Hungary, Portugal, Spain, France, Slovakia, China, South Korea, USA, Brazil, Mexico, Czech Republic, Japan and South Africa.

2. Summary of significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain tangible assets which are being carried at revalued amounts. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

2.2 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 and 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 group exercises joint control and the group 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". The group combines its share of the joint ventures individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the group's financial statements.
- c) Investment in Associates (entity over which the group 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", whereby the investment is initially recorded at cost, identifying any goodwill/capital reserve arising at the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the investor's share of net assets of the investee.
- d) The Consolidated Financial Statements have been prepared using financial statements drawn upto same reporting dates to the

Notes to the consolidated financial statements

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 ₹ 11,896 million (Previous Year ₹ 1,296 million) as at March 31, 2012. Such inventories are 53% (Previous Year 12%) of the group's total inventories.

2.3 Tangible Assets

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any, except tangible assets of the Component Division of erstwhile Motherson Auto Components Engineering Limited (MACE) and erstwhile India Nails Manufacturing Limited (formerly India Nails Manufacturing Private Limited, subsidiary which has been merged with the Company w.e.f. April 1, 2011) which have been revalued on December 31, 1998 and on March 31, 2005 respectively and except assets costing less than ₹ 5,000 to ₹ 3,50,000 each charged to expense, which could otherwise have been included as tangible asset, in accordance with Accounting Standard 10 -'Accounting for Fixed Assets' because the amount is not material.

Revaluation in respect of certain tangible assets of the Component Division of erstwhile Motherson Auto Components Engineering Limited (MACE) and erstwhile India Nails Manufacturing Limited (INML) was done as under:

- a) Land at the prevailing market rates as certified by approved valuation experts as on the date of revaluation.
- b) Building, plant and machinery and other assets of MACE at their replacement values as certified by approved valuation expert

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss.

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets or the rates prescribed under Schedule XIV to the Companies Act, 1956, whichever is higher, as follows:

	Indian Entities Rates %	Overseas Entities Rates %
Leasehold Land	Over the period of lease	
Freehold Land	Nil	
Leasehold improvements	Over the period of lease	
Building	1.63 - 10	2.5 - 20
Plant & Machinery	10-35	5-25
Plant & machinery (Racks Stands & Trolleys)	100	8-100
Furniture & fixtures	10-16.67	6.67-33.33
Office equipment's	10-16.67	6.67-33.33
Computers	33.33	6.67-33.33
Vehicles	15-25	8.33-32

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.

Notes to the consolidated financial statements

2.4 Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. A rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use is considered by the management. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit and Loss. The amortization rates used are:

Asset	Rate (%)
Technical Knowhow fees	20-50
Business & Commercial rights	6.25-100
Intellectual property rights	20-50
Software	20-33.33

Goodwill generated on consolidation in respect of subsidiaries is being carried at cost less impairment.

2.5 Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

2.6 Impairment of Assets

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit'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. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

2.7 Investments

Investments (other than investment in subsidiaries, joint ventures and associates) that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

Investment Property

Investment in buildings that are not intended to be occupied substantially for use by, or in the operations of the Company, have been classified as investment property. Investment properties are carried at cost less accumulated depreciation. Refer note 2.3 for depreciation rates used for buildings.

2.8 Inventory

Inventories are stated at lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method except in case of certain entities in the group where weighted average cost method is being used (refer note 2.2 (e)). The cost of finished goods and work in progress comprises raw materials, components, direct labour, other direct costs and related production overheads. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Tools are valued at cost less amortization based on useful life of the items ascertained on a technical estimate by the management .

Notes to the consolidated financial statements

2.9 Foreign Exchange Transactions

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period.

A monetary asset or liability is termed as a long-term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has a term of 12 months or more at the date of origination of the asset or liability.

Exchange differences on restatement of all other monetary items are recognised in the Statement of Profit and Loss.

Forward Exchange Contracts

The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset/liability, is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profits or losses arising on cancellation or renewal of such a forward exchange contract are recognised as income or as expense for the period.

Translation of foreign operations

Foreign operations are classified as either 'integral' or 'non-integral' operation. Exchange differences arising on a monetary item that, in substance, forms part of an enterprise's net investment in a non-integral foreign operation are accumulated in the "Exchange Reserve on Consolidation" until the disposal of the net investment, at which time they are recognised as income or as expenses. The financial statements of an integral foreign operation are translated using the principles and procedures as if the transactions of the Foreign operation is those of the Company itself.

2.10 Derivative Transactions

Forward exchange contracts outstanding as at the year-end on account of firm commitment /highly probable forecast transactions are marked to market and the losses, if any, are recognised in the Statement of Profit and Loss and gains are ignored in accordance with the Announcement of Institute of Chartered Accountants of India on 'Accounting for Derivatives' issued in March 2008.

2.11 Revenue Recognition

Sale of goods

Sales are recognised when the substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognized net of trade discounts, rebates, sales taxes and excise duties.

Sale of Services

In contracts involving the rendering of services, revenue is measured using the proportionate completion method and are recognised net of service tax.

2.12 Other Income

Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Income from duty drawback and premium of sale of import licenses is recognized on an accrual basis.

Dividend

Dividend income is recognised when the right to receive dividend is established.

Notes to the consolidated financial statements

2.13 Employee Benefits

- a) In respect of the companies incorporated in India

Provident Fund & Employee State Insurance

Contribution towards provident fund and employee state insurance for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Gratuity

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The gratuity plans in certain group companies are funded through annual contributions to Life Insurance Corporation of India (LIC) under its Group's Gratuity Scheme whereas others are not funded. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Compensated Absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

- 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, 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.

Notes to the consolidated financial statements

Contributions to defined contribution schemes are recognised in the income statement in the period in which they become payable.

Other Long term benefits

The Group recognises as an expenditure the present value of long term retention bonuses, where applicable based on the expected amounts to pay by considering expectancies of employee fluctuation. The level of fluctuation significantly impacts the amount to be paid in the future.

2.14 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. 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.

2.15 Current and Deferred Tax

Current Tax

Current tax is provided on the basis of tax payable on estimated taxable income computed in accordance with the applicable provisions after considering the tax allowances and exemptions.

Deferred Taxes

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period.

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the group reassesses unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Fringe Benefit Tax

Fringe benefit tax is determined based on the liability computed in accordance with relevant tax rates and tax laws.

2.16 Provisions and Contingent Liabilities

Provisions

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

Notes to the consolidated financial statements

Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

2.17 Leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

The Company leases certain tangible assets and such leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance charge and the reduction of the outstanding liability. The outstanding liability is included in other long-term borrowings. The finance charge is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

As a lessor

The Company has leased certain tangible assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the lease term which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognized as an expense in the Statement of Profit and Loss in the period in which they are incurred.

2.18 Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less.

2.19 Earnings per Share (EPS)

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, which have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2012	As At March 31, 2011
Note 3 - SHARE CAPITAL		
Authorised	3,123	1,923
2,873,000,000 ¹ Equity Shares of ₹ 1/- each (Previous Year 1,923,000,000 Equity Shares of ₹ 1/- each)		
25,000,000 ¹ 8% Convertible Cumulative Preference Shares of ₹ 10/- each (Previous Year Nil)		
Issued	388	388
387,547,000 Equity Shares of ₹ 1/- each (Previous Year 387,547,000 Equity Shares of ₹ 1/- each)		
Subscribed and Paid up	388	388
387,543,800 Equity Shares of ₹ 1/- each (Previous Year 387,543,800 Equity Shares of ₹ 1/- each)		
TOTAL	388	388

¹ Increase on account of amalgamation of Sumi Motherson Innovative Engineering Limited (SMIEL), India Nails Manufacturing Limited (INML) and MSSL Global Wiring Systems Limited (MGWL) (Refer Note 38)

a. Reconciliation of number of shares

Equity Shares:	As at March 31, 2012		As at March 31, 2011	
	Nos.	Amount	Nos.	Amount
Balance as at the beginning of the year	387,543,800	388	374,593,800	375
Add: Shares issued on allotment of 12,950,000 equity shares of ₹ 1/- each pursuant to conversion of Zero Coupon Foreign Currency Convertible Bonds.	–	–	12,950,000	13
Balance as at the end of the year	387,543,800	388	387,543,800	388

Preference Shares:	As at March 31, 2012		As at March 31, 2011	
	Nos.	Amount	Nos.	Amount
Balance as at the beginning of the year	–	–	–	–
Add :Preference shares of erstwhile Sumi Motherson Innovative Engineering Limited pursuant to the scheme of amalgamation (Refer Note 38)	1,000,000	100	–	–
Less : Redeemed during the year	1,000,000	100	–	–
Balance as at the end of the year	–	–	–	–

b. Rights, preferences & restrictions attached to shares

Equity Shares:

The Company has only one class of equity shares having a par value of ₹ 1/- per share. Each holder of equity is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend, if proposed by the Board of Directors, is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the company, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to the consolidated financial statements

c. Shares allotted as fully paid up by way of bonus shares

	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Equity shares allotted as fully paid bonus shares by capitalization of securities premium	117,444,600	117,444,600	117,444,600	117,444,600	117,444,600

d. Details of shares held by shareholders more than 5% of the aggregate shares in the company.

	March 31, 2012		March 31, 2011	
	Nos.	%	Nos.	%
Equity shares				
Samvardhana Motherson Finance Limited	140,858,015	36.35%	140,838,015	36.34%
Sumitomo Wiring Systems Limited	96,891,795	25.00%	96,891,795	25.00%

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2012	As At March 31, 2011
Note 4 - RESERVES & SURPLUS		
Revaluation Reserve		
Balance as at the beginning of the year	96	20
Additions during the year	–	76
Balance as at the end of the year	96	96
Reserve on Amalgamation		
Balance as at the beginning of the year	1,242	572
Addition on Amalgamation (Refer Note 38)	421	670
Balance as at the end of the year	1,663	1,242
Securities Premium Account		
Balance as at the beginning of the year	3,653	2,291
Additions during the year ¹	–	1,362
Balance as at the end of the year	3,653	3,653
General Reserve		
Balance as at the beginning of the year	1,905	1,581
Transfer from Profit & Loss Account	481	324
Additions on Amalgamation (Refer Note 38)	64	–
Deductions during the year ²	100	–
Balance as at the end of the year	2,350	1,905
Exchange Reserve on Consolidation		
Balance as at the beginning of the year	458	153
Additions during the year	520	305
Balance as at the end of the year	978	458

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2012	As At March 31, 2011
Capital Reserve on Consolidation		
Balance as at the beginning of the year	1,315	1,329
Additions during the year	0	(0)
Deductions during the year	–	14
Balance as at the end of the year	1,315	1,315
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	7,031	5,327
Additions during the year	2,596	3,908
Transfer to General Reserve	481	324
Additions on Amalgamation (Refer Note 38)	41	(604)
Deductions during the year:		
Proposed dividend (Refer Note 13)	890	1,070
Tax on dividend (Refer Note 13)	144	174
Tax paid consolidated companies - for earlier years	33	32
Balance as at the end of the year	8,120	7,031
Capital Redemption Reserve		
Balance as at the beginning of the year	–	–
Additions during the year ²	100	–
Additions on Amalgamation (Refer Note 38)	50	–
Balance as at the end of the year	150	–
Total	18,325	15,700

¹ On conversion of zero coupon Foreign Currency Convertible Bonds

² On redemption of 8% Convertible Cumulative Preference Shares of erstwhile SMIEL (Refer Note 38(d))

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2012	As At March 31, 2011
Note 5 - SHARE CAPITAL SUSPENSE ACCOUNT		
4,420,360 Equity shares of ₹ 1 each to be issued as fully paid up to the shareholders of erstwhile Sumi Motherson Innovative Engineering Limited (SMIEL) pursuant to the scheme of amalgamation. (Refer Note 38)	4	–
TOTAL	4	–

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

	Non Current Portion		Current Maturities	
	As At March 31, 2012	As At March 31, 2011	As At March 31, 2012	As At March 31, 2011
Note 6 - LONG TERM BORROWINGS				
Secured:				
i) Term loan from banks				
- Foreign currency loan	25,139	4,537	3,701	1,145
ii) Term loan from others				
- Indian rupee loan	37	47	12	13
- Finance lease liabilities	1,200	90	507	24
Unsecured:				
i) Term loan from banks				
- foreign currency loan	2,799	1,795	487	-
ii) Term loan from others				
- Indian rupee loan	2	2	-	-
- Foreign currency loan -	410	117	27	2
- Foreign currency loan - from related party (Refer note 44)	24	23		
Amounts disclosed under the head "other current liabilities"			(4,734)	(1,184)
(Refer Note 12)				
Total	29,611	6,611	-	-

(a) Nature of Security and terms of repayment for secured borrowings:

Nature of Security	Terms of Repayment
Long terms foreign currency loans from Bank include:	
i) Loan amounting to ₹ 4,058 million (March 31, 2011 : ₹ 2,967 million) secured by first pari passu charge on entire fixed assets, both movable & 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.	1) ₹ 409 million (March 31, 2011 : ₹ 568 million) is repayable in 4 half yearly instalments till March 2014. 2) ₹ 712 million (March 31, 2011 : ₹ 812 million) is repayable in 7 half yearly instalments till July 2015 3) ₹ 445 million is repayable in 14 quarterly instalments till September 2015 4) ₹ 457 million (March 31, 2011 : ₹ 454 million) is repayable in 15 quarterly instalments till December 2015 5) ₹ 1,272 million (March 31, 2011 : ₹ nil) is repayable in 10 half yearly instalments starting from February 2014 till August 2018. 6) ₹ 763 million (March 31, 2011 : ₹ 677 million) is repayable in 12 half yearly instalments starting from August 2012 till February 2018. The applicable rate of interest in respect of these loans is within a range of 0.4% p.a. to 3% p.a. over 3 to 6 months US\$/JPY Libor and 5% to 8% in respect of loans hedged through swap contracts.
ii) Loan amounting to ₹ 27 million (March 31, 2011 : ₹ 33 million) secured by pledge of plant & machinery of Samvardhana Motherson Invest Deutschland GmbH	1) ₹ 22 million (March 31, 2011 : ₹ 26 million) is repayable in monthly instalments until December 2014. 2) ₹ 5 million (March 31, 2011 : ₹ 7 million) is repayable in monthly instalments until June 2015. The applicable rate of interest in respect of these loans is within a range of 5% p.a. to 6% p.a.
iii) Loan amounting to ₹ 43 million (March 31, 2011 : Nil) secured by lien on injection moulding machines and second grade mortgage of land and building of MSSL Advanced Polymers s.r.o.	Repayable in monthly instalments along with interest of 4.93% p.a.

Notes to the consolidated financial statements

iv) Loan amounting to ₹ 147 million (March 31, 2011: ₹ 147 million) secured by fixed and floating charge over property of MSSL Australia Pty Ltd, Motherson Elastomers Pty Limited and Motherson Investments Pty Limited and registered mortgage over specified properties situated in Victoria, Australia.	Repayable in 10 equal half yearly instalments till March 2014. The interest rate per annum is based on combination of fixed and floating rate calculation updated every 30 days in the range of 7% to 9% p.a.
v) Loan amounting to ₹ 6,691 million (March 31, 2011: Nil) secured by:	Repayable on quarterly basis starting from August 2012.
(a) first priority pari-passu charge over all assets of the Forgu GmbH and Samvardhana Motherson B.V. (except pledge over shares of Peguform Mexico S.A.de C.V., SMP Deutschland GmbH (formerly Peguform GmbH) and Peguform Iberica S.L).	The applicable rate of interest is 3 months USD LIBOR plus 3.25%
(b) Pledge over shares of the Forgu GmbH and Samvardhana Motherson B.V.	
(c) Second charge over assets of SMP Deutschland GmbH (formerly Peguform GmbH) and all its German subsidiaries.	
(d) Corporate Guarantee of the Company for an aggregate amount of USD equivalent of EUR 106.7 million.	
vi) Loan amounting to ₹ 6,416 million (March 31, 2011: Nil) secured by:	Repayable on yearly basis starting from November 2013.
(a) first priority pari-passu charge over all assets of the Forgu GmbH and Samvardhana Motherson B.V. (except pledge over shares of Peguform Mexico S.A.de C.V., SMP Deutschland GmbH (formerly Peguform GmbH) and Peguform Iberica S.L).	The applicable rate of interest is 3 months USD LIBOR plus 3.50%
(b) Pledge over shares of the Forgu GmbH and Samvardhana Motherson B.V.	
(c) Second charge over assets of SMP Deutschland GmbH (formerly Peguform GmbH) and all its German subsidiaries.	
(d) Corporate Guarantee of Samvardhana Motherson Finance Limited for an aggregate amount of USD equivalent of EUR 102.3 million.	
vii) Loan amounting to ₹ 7,602 million (March 31, 2011: Nil) secured by:	Repayable on quarterly basis until November 2017.
(a) first ranking security interest over all assets ((including brands, patents, intangibles, investments in group companies)) of SMP Deutschland GmbH (formerly Peguform GmbH) and Peguform Iberica S.L, Samvardhana Motherson B.V, Forgu GmbH, Peguform Module Division Iberica Cockpits S.L.U, SMP Automotive Solutions Personalleasings GmbH (formerly Peguform Personalleasing GmbH), Peguform Mexico S.A. de C.V. and SMP Automotive Produtos Automotivos do Brasil Ltda (formerly Peguform Do Brasil Ltda);	The applicable rate of interest is 3 months EURIBOR plus 3.75%
(b) first and exclusive charge over all the current assets of the SMP Deutschland GmbH (formerly Peguform GmbH) and Peguform Iberica S.L and their subsidiaries;	
(c) pledge over 80% shareholding acquired of SMP Deutschland GmbH (formerly Peguform GmbH) and Peguform Iberica S.L.	
(d) negative lien over 50% shares of Chanchun Peguform Automotive Plastics Technology Co. Ltd.	
viii) Loan amounting to ₹ 100 million (March 31, 2011: Nil) secured by General Notarial Bond on assets of Vacuform 2000 Pty Ltd.	Repayable in 60 months. The applicable rate of interest in respect of these loans is within a range of 8% p.a. to 18% p.a.
ix) Loan amounting to ₹ 5 million (March 31, 2011: Nil) secured by suspensive sale on moveable assets of Vacuform 2000 Pty Ltd.	Repayable in 60 months. The applicable rate of interest is 12%
x) Loan amounting to ₹ 385 million (March 31, 2011: Nil) secured by mortgage of land and plant and machinery of SMR Brasil Ltda.	Repayable in 6 half yearly instalments beginning Sep 2013. The applicable rate of interest is CDI + 4% spread per year.

Notes to the consolidated financial statements

xi) Loan amounting to ₹ 559 million (March 31, 2011: Nil) secured by first rank mortgage right on the specified assets of SMR Automotive Mirror Technology Hungary Bt. and Corporate Guarantee of Samvardhana Motherson Reflectec Group Holdings Limited.	Repayable in monthly instalments till August 2016. The applicable rate of interest is 3 month EURIBOR plus 2.25%
xii) Loan amounting to ₹ 129 million (March 31, 2011: Nil) secured by mortgage on the plant of SMR Automotive Systems Spain S.A.U.	Repayable in 60 equal monthly instalments (after 2 years moratorium) until September 2018. The applicable rate of interest is 5.39% p.a.
xiii) Loan amounting to ₹ 27 million (March 31, 2011: Nil) secured by credit for tooling purchases of SMR Automotive Systems Spain S.A.U.	Repayment on 30th May 2013. The applicable rate of interest is 5.33% p.a.
xiv) Loan amounting to ₹ 242 million (March 31, 2011: Nil) secured by mortgage of land and machinery at SMR Automotive System (Thailand) Ltd and additionally by corporate guarantee of Samvardhana Motherson Reflectec Group Holdings Limited.	Repayable in 60 equal monthly instalments until August 2017. The applicable rate of interest is MLR - 1.25% p.a.
xv) Loan amounting to ₹ 1,358 million (March 31, 2011: ₹ 1,260 million) secured by first pari passu charge/assignment of all receivables, moveable assets, Intangible assets and immovable assets of SMR Automotive Mirror Parts and Holding UK limited, SMR Automotive Mirror UK Limited, SMR Automotive Mirror Services UK Limited and SMR Automotive Services Portchester Limited. Further, secured by corporate guarantees issued by MSSL and Samvardhana Motherson Finance Limited (SMFL).	Bullet Repayment in August 2013. The applicable rate of interest is 3 month Euribor + 3.50% p.a.
xvi) Loan amounting to ₹ 1,051 million (March 31, 2011: ₹ 959 million) secured by first pari passu charge/assignment of all receivables, moveable assets, Intangible assets and immovable assets of SMR Automotive Mirror Parts and Holding UK limited, SMR Automotive Mirror UK Limited, SMR Automotive Mirror Services UK Limited and SMR Automotive Services Portchester Limited. Further, secured by corporate guarantee issued by MSSL.	1) ₹ 679 million (March 31, 2011 : ₹ 632 million) is repayable in bullet installment in August 2013. 2) ₹ 372 million (March 31, 2011 : ₹ 327 million) is repayable in bullet installment in September 2013. The applicable rate of interest is 3 month Euribor + 3.50% p.a.
xvii) Loan amounting to ₹ Nil (March 31, 2011: ₹ 315 million) secured by first pari passu charge on assets of various entities of Samvardhana Motherson Reflectec Group holdings Limited and first pari passu charge/assignment of all receivables of Samvardhana Motherson Reflectec Group holdings Limited. Further secured by corporate guarantee issued by MSSL.	Repayable in October 2012 with put and call options after every six months. The applicable rate of interest is 3 month Euribor + 3.50% p.a.

Long terms Rupee Loans from Other than Banks include:

i) loan amounting to ₹ 47 million (March 31, 2011: ₹ 57 million) secured by against land acquired from NOIDA authority under instalment plan.	Repayable in 8 half yearly instalments till December 2015 carrying interest of 11% p.a.
ii) loan amounting to ₹ 2 million (March 31, 2011: ₹ 3 million) from other than banks is secured against the vehicles purchased against such loan.	Fully repayable in 2012-13 carrying interest of 8.5% p.a.

Foreign Currency Finance Lease Liabilities Other than Banks include:-

Finance Leases amounting to ₹ 1,707 million (March 31, 2011: ₹ 113 million) are secured by hypothecation of assets underlying the leases.	₹ 1,604 million (March 31, 2011 : ₹ Nil) repayable in quarterly instalments. ₹ 103 million (March 31, 2011 : ₹ 113 million) repayable in monthly instalments.
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Notes to the consolidated financial statements

(b) Terms of repayment for unsecured borrowings:

Unsecured Foreign Currency Term Loans from Banks -	
Loan amounting to ₹ 1,017 million (March 31, 2011: ₹ 903 million). MSSL has given a negative lien on the assets purchased out of the said facility	Repayable in 3 yearly instalments starting January 2015 till January 2017.
Loan amounting to ₹ 988 million (March 31, 2011: ₹ 892 million) Secured by Corporate guarantee of the Company for 100% of facility amount.	Repayable in 4 instalments.
Loan amounting to ₹ 1272 million (March 31, 2011: ₹ Nil) Secured by: 1) Corporate guarantee of the Company for 100% of facility amount. 2) Negative lien for pledging shares of operating subsidiaries of SMR 3) Negative lien on assets of operating subsidiaries for any loan availed in operating subsidiaries of SMR over and above Euro 30 million on consolidated basis.	Repayable in 16 quarterly instalments.
	Loan amounting to ₹ 9 million (March 31, 2011: ₹ nil) repayable in 16 quarterly instalments.

Unsecured Rupee Loans from Other than Banks -

	Loan amounting to ₹ 2 million (March 31, 2011: ₹ 2 million) are non cumulative preference shares allotted to joint venturer, compulsorily convertible into equity shares of KIML at the end of 20 years from the date of issue i.e. 24th March 2010.
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Unsecured Foreign Currency Loans from Other than Banks -

	Loan amounting to ₹ 9 million (March 31, 2011: ₹ 10 million) repayable in half yearly instalments until June 2016.
	Loan amounting to ₹ 26 million (March 31, 2011: ₹ 69 million) repayable until March 2015.
	Loan amounting to ₹ 55 million (March 31, 2011: ₹ nil) with no repayments.
	Loan amounting to ₹ 170 million (March 31, 2011: ₹ nil) repayable in quarterly instalments until June 2025.
	Loan amounting to ₹ 11 million (March 31, 2011: ₹ nil) repayable until June 2013.
	Loan amounting to ₹ 95 million (March 31, 2011: ₹ nil) renewable yearly.
	Loan amounting to ₹ 45 million (March 31, 2011: ₹ 40 million) repayable in 10 yearly instalments commencing from 2074.
	Loan amounting to ₹ 26 million (March 31, 2011: ₹ nil) repayable in various instalments starting after 5 years to be repaid in 10 years with final maturity in 2026.

Unsecured Foreign Currency Loans from Related Party -

	Loan amounting to ₹ 20 million (March 31, 2011: ₹ 23 million) repayable until June 2014.
	Loan amounting to ₹ 4 million (March 31, 2011: ₹ nil) repayable in 36 months.

In respect of a long term borrowing aggregating to ₹ 16,665 Million in respect of which certain financial ratio covenants were not met on the covenant testing date of March 31, 2012, the Group has obtained the requisite waiver from the bank for the financial year ended March 31, 2012.

Further, the Group has applied to its lenders (for long term borrowings) in respect of loans aggregating 2,493 million for waiver of compliance with certain financial ratio covenants which were unlikely to be met on their testing date of March 31, 2012.

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2012	As At March 31, 2011
Note 7 - DEFERRED TAX LIABILITIES (NET)		
Deferred tax Liabilities		
Depreciation	1,391	280
Others	151	-
Deferred tax assets		
Employee benefits	36	1
Others ¹	0	23
Total	1,506	256

Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing taxation laws.

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

¹ Amount is below the rounding off norm adopted by the Company

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2012	As At March 31, 2011
Note 8 - OTHER LONG TERM LIABILITIES		
Trade payables (including acceptances)	48	39
Advance from customers	625	322
Unearned revenue	117	-
Retention money	21	9
Security deposit received	84	62
Advance recovery from employees	41	30
Others	704	198
Total	1,640	660

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2012	As At March 31, 2011
Note 9 - LONG TERM PROVISIONS		
i) Provision for employee benefits		
- for gratuity & pensions (Refer note 46)	684	349
- for compensated absences (Refer note 46)	102	61
- Others	86	3
ii) Other Provisions (Refer note 42)		
- for warranties	61	144
- for litigations	59	-
Total	992	557

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2012	As At March 31, 2011
Note 10 - SHORT TERM BORROWINGS		
Secured:		
i) Loans repayable on demand- from banks		
- Rupee Loan ¹	989	1,991
- Foreign Currency Loan ²	1,854	500
ii) Other short term loans - from banks		
- Rupee Loan ³	1,762	821
- Foreign Currency Loan ⁴	5,409	759
Unsecured:		
i) Loans repayable on demand- from banks		
- Rupee Loan	75	32
- Foreign Currency Loan	698	-
ii) Loans repayable on demand- from related party (Refer note 44)		
- Rupee Loan ⁵	45	35
- Foreign Currency Loan	13	174
iii) Other short term loans - from banks		
- Rupee Loan	833	350
iv) Other short term Rupee Loan	-	150
Total	11,678	4,812

Nature of Security and terms of repayment for secured borrowings:

¹ ₹ 867 million (March 31,2011: ₹ 1,949 million) secured by first charge by way of hypothecation of all present and future stocks, book debts and other specified moveable assets and second charge by way of hypothecation of all present and future immoveable property of MSSL.

₹ 6 million (March 31,2011: ₹ 37 million) secured by first charge by way of hypothecation of all stocks and book debts and by second charge on plant & machinery and other immoveable property both present and future of Kyungshin Industrial Motherson Limited.

₹ 116 million (March 31,2011: ₹ 5 million) secured by first pari-passu charge both present and future on all current assets of SMR Automotive Systems India Limited

² ₹ 43 million (March 31,2011: ₹ 1 million) secured on primary mortgage over plant & machinery and additional security over stocks and debtors of Motherson Electric Wires Lanka Private Limited.

₹ 147 million (March 31,2011: ₹ nil) secured on fixed and floating charge over the assets of SMR Automotive Australia Pty Limited.

₹ 335 million (March 31,2011: ₹ nil) secured by pledge over the Paint Shop (at Plant 1 of SMR Automotive Mirror Technology Hungary Bt) and movables inventories of SMR Automotive Mirror Technology Hungary Bt and Corporate Guarantee of Samvardhana Motherson Reflectec Group Holdings Limited.

₹ 201 million (March 31,2011: ₹ nil) secured by assignment of receivables of SMR Automotive Mirror Technology Hungary Bt and Corporate Guarantee of Samvardhana Motherson Reflectec Group Holdings Limited.

₹ 198 million (March 31,2011: ₹ nil) secured by pledge over the moveable inventories of SMR Automotive Mirror Technology Hungary Bt and Corporate Guarantee of Samvardhana Motherson Reflectec Group Holdings Limited.

₹ 405 million (March 31,2011: ₹ nil) secured against receivables of SMR Poong Jeong Automotive Mirrors Korea Limited.

₹ 40 million (March 31,2011: ₹ nil) secured by mortgage of land and machinery at SMR Automotive System (Thailand) Ltd. and additionally by Corporate guarantee of Samvardhana Motherson Reflectec Group Holdings Limited.

₹ 99 million (March 31,2011: ₹ nil) secured by pledge over receivables and inventory of SMR Automotive Systems USA Inc.

₹ 386 million (March 31,2011: ₹ 408 million) under factoring arrangements, secured against underlying receivables of SMR Automotive Systems France S.A.

Notes to the consolidated financial statements

₹ Nil (March 31,2011: ₹ 92 million) secured against tooling purchase orders from customers of SMR Automotive Systems Spain S.A.U.

³ ₹ 1,762 million (March 31,2011: ₹ 817 million) secured by first charge by way of hypothecation of all present and future stocks, book debts and other specified moveable assets and second charge by way of hypothecation of all present and future immoveable property of MSSL.

₹ Nil (March 31,2011: ₹ 4 million) secured by first pari-passu charge on immoveable fixed assets purchased out of underlying loan of SMR Automotive Systems India Limited.

⁴ ₹ 765 million (March 31,2011: ₹ 716 million) secured by first charge by way of hypothecation of all present and future stocks, book debts and other specified moveable assets and second charge by way of hypothecation of all present and future immoveable property of MSSL.

₹ 33 million (March 31,2011: ₹ 44 million) secured over assets (like land and building and sets of tangible fixed assets) of MSSL Advanced Polymers s.r.o.

₹ 162 million (March 31,2011: ₹ nil) secured by way of mortgage over land & property of Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd

₹ 55 million (March 31,2011: ₹ nil) secured against bank deposits of Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd

₹ 86 million (March 31,2011: ₹ nil) secured by the mortgage of the Building at SMR Automotive Vision Systems Mexico S.A. de C.V.

₹ * million (March 31,2011: ₹ nil) secured by cession of debtors book of Vacuform 2000 Pty Ltd.

₹ 236 million (March 31,2011: ₹ nil) secured by hypothecation of Paint line, receivables GM & Nissan of SMP Produtos Automotivos do Brasil Ltda. (formerly Peguform do Brasil Ltda.)

₹ 4,073 million (March 31,2011: ₹ nil) secured by:

- (a) first ranking security interest over all assets ((including brands, patents, intangibles, investments in group companies)) of the SMP Deutschland GmbH (formerly Peguform GmbH) and SMP Automotive Technology Iberica, S.L. (formerly Peguform Iberica S.L.), Samvardhana Motherson B.V, Samvardhana Motherson Peguform GmbH (formerly Forgu GmbH), Samvardhana Motherson Peguform Barcelona, S.L.U. (formerly Peguform Module Division Iberica Cockpits S.L.), SMP Automotive Solutions Personalleasing GmbH (formerly Peguform Personalleasing GmbH), SMP Automotive Systems Mexico S.A. de C.V.(formerly Peguform Mexico S.A. de C.V.) and SMP Produtos Automotivos do Brasil Ltda. (formerly Peguform do Brasil Ltda.).
- (b) First and exclusive charge over all the current assets of the SMP Deutschland GmbH (formerly Peguform GmbH) and SMP Automotive Technology Iberica, S.L (formerly Peguform Iberica S.L.) and their subsidiaries.
- (c) Pledge over 80% shareholding acquired of SMP Deutschland GmbH (formerly Peguform GmbH) and SMP Automotive Technology Iberica, S.L (formerly Peguform Iberica S.L.).
- (d) Negative lien over 50% shares of Chanchun Automotive Plastics Technology Co. Ltd.

⁵ ₹ 45 million (March 31, 2011: ₹ 35 million) of due to an associate company.

* Amount is below the rounding off norm adopted by the Company

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2012	As At March 31, 2011
Note 11 - TRADE PAYABLES		
Trade Payables (including acceptances)		
- Due to micro and small enterprises	14	11
- Others	30,967	11,189
Total	30,981	11,200

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2012	As At March 31, 2011
Note 12 - OTHER CURRENT LIABILITIES		
Other current liabilities		
- Current maturities of long term debt	4,228	1,161
- Current maturities of finance lease obligations	506	23
- Interest accrued but not due on borrowings	205	28
- Interest accrued and due on borrowings ¹	0	-
- Income received in advance	1,829	-
- Unpaid dividends	10	8
- Accrued salaries and benefits	3,245	1,114
- Statutory dues payable	1,277	531
- Advances received from customers	1,670	828
- Security Deposit Received	6	-
- Recovery against Vehicle Loan	23	15
- Others	3,899	1,906
Total	16,898	5,614

¹ Amount is below the rounding off norm adopted by the Company

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2012	As At March 31, 2011
Note 13 - SHORT TERM PROVISIONS		
i) Provision for employee benefits		
- Provision for gratuity & pensions (Refer note 46)	43	47
- Provision for compensated absences	26	25
- Provision for others	83	71
ii) Other Provisions		
- Provision for warranties (Refer note 42)	486	206
- Provision for other litigations (Refer note 42)	20	42
- Provision for onerous contracts (Refer note 42)	54	63
- Provision for proposed dividend on equity shares	882	1,065
- Provision for proposed dividend on preference shares	8	-
- Provision for dividend distribution tax on proposed dividend on equity shares	143	174
- Provision for dividend distribution tax on proposed dividend on preference shares	1	-
- Provision for income tax	1,687	1,557
- Provision for wealth tax	4	2
- Provision for other taxes	3	6
- Provision for others	72	41
Total	3,512	3,299

Notes to the consolidated financial statements

Note - 14 FIXED ASSETS

(All amounts in ₹ Million, unless otherwise stated)

Particulars	GROSS BLOCK					DEPRECIATION/ AMORTIZATION					NET BLOCK					
	As at March 31, 2011	Additions on account of acquisitions	Additions during the year	Disposals	Other Adjustments ¹	Total as at March 31, 2012	Up to March 31, 2011 account of acquisition	Depreciation for the year	Depreciation / Amortization on Deletions / Sale / Adjustments	Other Adjustments ¹	Exchange Translation Adjustment	Upto March 31, 2012	As at March 31, 2012	As at March 31, 2011		
Tangible Assets																
Own Assets:																
Leasehold Land	1,189	212	222	(8)	138	8	1,501	33	8	16	(8)	(6)	90	161	1,340	1,156
Freehold Land	11,666	756	494	–	(132)	42	2,590	34	5	–	–	34	(5)	–	2,590	1,132
Leasehold improvements	159	–	1	0	34	11	137	102	–	20	0	30	7	99	38	57
Building	8,238	5,318	3,023	(16)	(41)	398	17,034	1,667	2,025	282	(10)	(59)	52	4,095	12,939	6,571
Plant & Machinery	23,627	28,502	6,069	606	(4)	1,250	58,846	16,103	16,188	2,687	385	(2)	1,028	35,623	23,223	7,524
Furniture & fixtures	1,156	774	511	49	533	46	1,905	914	386	245	21	458	39	1,105	800	242
Office equipments	180	701	224	25	(530)	54	1,664	108	414	88	23	(456)	54	1,097	567	72
Computers	1,330	760	180	103	5	72	2,234	1,148	655	157	110	4	66	1,912	322	182
Vehicles	460	121	205	84	(0)	6	708	265	64	108	68	0	3	372	336	195
Total (A)	37,505	37,144	10,929	843	3	1,887	86,619	20,374	19,745	3,603	589	3	1,334	44,464	42,155	17,131
<i>Assets Taken on Finance Lease:</i>																
Buildings	–	1,183	–	–	(21)	1,162	–	211	11	–	–	(4)	218	944	–	–
Plant & Machinery	185	3,537	–	–	–	(50)	3,672	25	1,595	101	–	–	(25)	1,696	1,976	160
Office Equipments	2	–	–	–	–	0	2	1	–	1	–	–	0	2	(0)	1
Computer	5	–	–	–	–	0	5	2	–	1	–	–	0	3	2	3
Vehicles	–	8	–	–	–	(0)	8	–	8	–	–	–	(0)	8	–	–
Total (B)	192	4,728	–	–	–	(71)	4,849	28	1,814	114	–	–	(29)	1,927	2,922	164
TOTAL TANGIBLE ASSETS (A+B)	37,697	41,872	10,929	843	3	1,816	91,468	20,402	21,559	3,717	589	3	1,305	46,391	45,077	17,295
INTANGIBLE ASSETS																
Goodwill on consolidation ²	179	1,264	–	174	(0)	(22)	1,247	–	–	45	–	–	–	45	1,202	179
Technical Knowhow fees	7	–	16	0	(275)	29	327	5	–	11	0	(112)	12	140	187	2
Business & Commercial Rights	303	–	–	11	281	2	13	138	–	–	11	116	2	13	(0)	165
Intellectual property rights	9	463	55	–	9	(8)	510	5	419	14	0	5	(8)	425	85	4
Software	0	629	122	1	(19)	759	–	326	54	0	(13)	(5)	388	371	0	0
TOTAL INTANGIBLE ASSETS	498	2,356	193	186	(4)	(9)	2,856	148	745	124	11	(4)	1	1,011	1,845	350
GRAND TOTAL	38,195	44,228	11,122	1,029	(1)	1,807	94,324	20,550	22,304	3,841	600	(1)	1,306	47,402	46,922	17,645
Previous Year	31,805	800	5,061	480	–	1,009	38,195	17,270	339	2,465	273	–	749	20,550	17,645	14,535

¹ Other Adjustments are primarily related to reclassifications.

² Disposals during the year is on account of amalgamation of erstwhile India Nails Manufacturing Limited with MSSL (Refer note 38(e)(ii)).
Amounts appearing as zero '0' are below the rounding off norm adopted by the Company

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2012	As At March 31, 2011
Note 15 - NON CURRENT INVESTMENTS		
Investment Property (at cost less accumulated depreciation)		
Cost of Buildings	536	482
Add: Additions during the year	1	47
Less: Deletions during the year	-	15
Add: Exchange translation adjustment	39	21
Gross Block	576	535
Accumulated depreciation:		
Opening balance	139	118
Add: Depreciation for the year	18	14
Add: Exchange translation adjustment	11	6
Net Block	408	397
Capital Work in Progress	10	-
Net Investment Properties	418	397
Trade Investments (Unquoted, valued at cost)		
Investment in associates:		
i. Saks Ancillaries Limited		
1,000,000 equity shares (Previous year: 1,000,000) of ₹ 10/- each fully paid up		
Net asset value as at the beginning of the year	28	
Add: Share of profit/ (loss) for current year	1	29
ii. Wethje Group:		
a. Wethje Entwicklungs GmbH:		
1 equity share (Previous year: nil) of Euro 100 fully paid up		
1 equity share (Previous year: nil) of Euro 12,400 fully paid up		
b. Wethje Carbon Composite GmbH:		
1 equity share (Previous year: nil) of Euro 14,000 fully paid up		
1 equity share (Previous year: nil) of Euro 100 fully paid up		
1 equity share (Previous year: nil) of Euro 2,500 fully paid up		
1 equity share (Previous year: nil) of Euro 12,400 fully paid up		
Investment at the acquisition date	454	
(Includes goodwill of ₹ 262 million on acquisition)		
Add: Share of profit/ (loss) for current year	1	
Exchange difference	(11)	444
iii. Re-time Pty Limited		
150 equity share (Previous year: nil) of AUD 1/- each fully paid up		
Investment at the acquisition date	10	
Add: Share of profit/ (loss) for current year	(1)	9
Others:		
Purpurin Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG ¹	0	-
94 equity shares (Previous year: nil) of Euro 51.129 each fully paid up		
Other Investments (valued at cost, unless stated otherwise)		
Investment in equity instruments:		
Quoted:		
Ssangyong Motor Corporation	4	
18,040 Equity shares (March 31, 2011: 18,040 Equity shares) of Euro 3.394 per equity share	7	

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2012	As At March 31, 2011
Unquoted:		
i. Motherson Sumi Infotech & Designs Ltd.	13	13
1,250,000 7% preference shares (March 31,2011: 1,250,000) of ₹ 10/- each fully paid up		
ii. Motherson Sumi Infotech & Designs Ltd.	14	14
1,200,000 Equity shares (March 31,2011:1,200,000) of ₹10/- each fully paid up		
iii. Motherson Air Travel Agencies Ltd.	1	1
120,000 equity shares (March 31,2011:120,000) of ₹ 10/- each fully paid up		
iv. Green Infra Wind Power Projects Limited	1	-
120,000 Equity shares of ₹10/- each fully paid up		
v. Comunidad de Vertidos, "Les Carrases"	4	4
vi. Daewoo Automotive securities	1	1
5,861 Bonds (March 31,2011:5,861 Bonds) of Euro 3.334 per bond		
Investments (Net)	938	465
Aggregate amount of quoted investments	4	7
Market value of quoted investments	6	7

¹ Amount is below the rounding off norm adopted by the Company

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2012	As At March 31, 2011
Note 16 - DEFERRED TAX ASSETS (NET)		
Deferred tax assets		
Depreciation	101	-
Employee benefits	70	21
Others	733	388
Deferred tax liabilities		
Depreciation	-	163
Total	904	246

Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing taxation laws.

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

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2012	As At March 31, 2011
Note 17 - LONG TERM LOANS AND ADVANCES		
<i>Unsecured, considered good (unless otherwise stated)</i>		
Capital advances	1,072	676
Security deposits		
- Considered good	116	90
- Considered doubtful ¹	0	0
Less: Allowance for doubtful security deposits ¹	(0)	(0)
Security deposits to related parties	4	1
Advances to be recoverable in cash or kind	80	33
Other loans and advances		
Prepaid expenses	150	54
Housing loan to employees	23	22
Balances with Government Authorities	110	51
Total	1,555	927

¹ Amount is below the rounding off norm adopted by the Company

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2012	As At March 31, 2011
Note 18 - OTHER NON CURRENT ASSETS		
<i>Unsecured, considered good</i>		
Long term trade receivables (including trade receivables on deferred credit terms)	1,133	-
Non current bank balance with original maturity for more than 12 months	132	33
Other receivables	130	61
Total	1,395	94

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2012	As At March 31, 2011
Note 19 - CURRENT INVESTMENTS		
Equity instruments, at cost or market value, whichever is less		
Quoted:		
HDFC Bank Ltd.¹	0	0
2035 equity shares (Previous year :407 of ₹ 10/- each fully paid up) of ₹ 2/- each fully paid up		
Balrampur Chini Mills Ltd¹	0	0
1,200 equity shares (Previous year :1,200) of ₹ 1/- each fully paid up		
Jaysynth Dyechem Ltd¹	0	0
100 equity shares (Previous year:100) of ₹ 10/- each fully paid up		
GIVO Ltd.¹	0	0
28,475 equity shares (Previous year :28,475) of ₹ 10/- each fully paid up		
Mahindra & Mahindra Ltd¹	0	0
3,644 equity shares (Previous year:3,644) of ₹ 5/- each fully paid up		
Pearl Engineering Polymers Ltd¹	0	0
3,160 equity shares (Previous year :3,160) of ₹ 10/- each fully paid up		
Investments (Net)¹	0	0
Aggregate amount of quoted investments ¹	0	0
Market value of quoted investments	4	2

¹ All the above amounts are below the rounding off norm adopted by the Company

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2012	As At March 31, 2011
Note 20 - INVENTORIES		
Raw Materials	8,886	4,853
Raw Materials in transit	1,042	705
Work in progress	8,285	2,398
Finished Goods	3,212	2,108
Finished Goods in transit	127	161
Traded Goods	258	126
Stores and spares	686	25
Total	22,496	10,376

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2012	As At March 31, 2011
Note 21 - TRADE RECEIVABLES		
- Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	775	466
Doubtful	306	117
	1,081	583
Less: Provision for doubtful receivables	306	117
	775	466
- Other receivables		
Unsecured, considered good	29,352	9,094
Doubtful	216	73
	29,568	9,167
Less: Provision for doubtful receivables	216	73
	29,352	9,094
Total	30,127	9,560

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2012	As At March 31, 2011
Note 22 - CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Balances with banks:		
- In current accounts	4,140	3,102
- Deposits with original maturity of less than three months	244	272
Cheques and drafts on hand	18	86
Cash on hand	27	20
	4,429	3,480
Other Bank Balances		
- Deposits with original maturity for more than three months but less than twelve months	118	44
- On unpaid dividend account	10	8
	128	52
Total	4,557	3,532

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2012	As At March 31, 2011
Note 23 - SHORT TERM LOANS AND ADVANCES		
<i>Unsecured, considered good (unless otherwise stated)</i>		
Security Deposits	100	3
Loans and advances to related parties	282	328
Advances to be recoverable in cash or kind		
Unsecured, considered good	3,651	1,539
Doubtful	9	5
	3,660	1,544
Less: Provision for doubtful advances	9	5
	3,651	1,539
Other loans and advances		
Advance income-tax	627	486
Prepaid expenses	151	84
Loans to employees	44	14
Balances with Government Authorities	2,351	2,151
Interest receivable	3	1
	3,176	2,736
Total	7,209	4,606

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2012	As At March 31, 2011
Note 24 - OTHER CURRENT ASSETS		
<i>Unsecured, considered good (unless otherwise stated)</i>		
Interest accrued on fixed deposits	1	1
Total	1	1

(All amounts in ₹ Million, unless otherwise stated)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Note 25 - REVENUE FROM OPERATIONS (NET)		
Sales of Products		
Finished Goods		
Within India	40,636	35,217
Outside India	108,796	49,240
Traded Goods	1,206	212
Sales of Services / Service Income	527	578
Other operating revenue:		
Scrap sales	134	98
Job work income	82	60
	151,381	85,405
Less: Excise Duty	3,615	2,914
Total	147,766	82,491

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Note 26 - OTHER INCOME		
Interest Income	118	80
Dividend Income		
- From non current investments	1	3
- From current investments ¹	0	-
Rent	149	127
Profit on Sale of fixed assets	109	99
Export Incentives	2	2
Liabilities no longer required written back	208	356
Government Grants & Subsidies	205	146
Miscellaneous recovery from customers	221	-
Exchange fluctuation (net)		
- Long term foreign currency loans	-	6
- Foreign currency convertible bonds (FCCB's)	-	56
- Others	-	276
Commodity Gain	-	106
Miscellaneous Income	432	430
Total	1,445	1,687

¹ Amounts is below the rounding off norm adopted by the Company

(All amounts in ₹ Million, unless otherwise stated)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Note 27 - COST OF MATERIALS CONSUMED		
Opening stock of raw materials	4,853	2,922
Opening stock of raw materials (on acquisition/ amalgamation)	4,409	3
Add : Purchases of raw materials	92,942	53,763
Less: Closing stock of raw materials	(8,886)	(4,853)
Add: Exchange adjustment:		
Exchange differences opening stock (gain)/loss	(59)	(6)
Exchange differences closing stock (loss)/gain	116	98
Total	93,375	51,927

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Note 28 - CHANGES IN INVENTORY OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE		
(Increase)/ decrease in stocks		
Stock at the opening of the year:		
Finished goods	2,270	1,871
Work-in-progress	2,398	1,414
Stock in trade	126	9
	4,794	3,294
Add: Stock acquired on acquisition/ amalgamation		
Finished goods	665	3
Work-in-progress	7,487	1
Stock in trade	90	–
	8,242	4
Less: Stock at the end of the year:		
Finished goods	(3,339)	(2,270)
Work-in-progress	(8,285)	(2,398)
Stock in trade	(258)	(126)
	(11,882)	(4,794)
Add: Exchange adjustment:		
Exchange differences opening stock (gain)/loss	(182)	(12)
Exchange differences closing stock (loss)/gain	197	139
Increase/ decrease in stocks	1,169	(1,369)

(All amounts in ₹ Million, unless otherwise stated)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Note 29 - EMPLOYEE BENEFITS EXPENSE		
Salary , Wages & Bonus	20,303	11,110
Contribution to Provident & Other Fund	1,940	953
Staff Welfare	901	526
Restructuring/ Severence costs	26	–
Total	23,170	12,588

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Note 30 - OTHER EXPENSES		
Electricity, Water and Fuel	2,668	1,239
Repairs and Maintenance		
- Machinery	1,402	789
- Building	593	310
- Others	521	409
Consumption of Stores & Spare Parts	2,015	832
Conversion Charges	305	276
Excise Duty expenses ¹	10	20
Lease rent (operating leases) (Refer note 43)	1,367	781
Rates & taxes	336	165
Insurance	242	162
Exchange fluctuation (net)		
- Long term foreign currency loans	391	-
- Others	118	-
Donation	32	14
Travelling	1,026	751
Freight & forwarding	2,220	1,357
Royalty	278	208
Cash Discount	100	109
Commission	9	7
Loss on sale of fixed assets (Net)	10	-
Provision for diminution in value of investments (Net) ²	0	0
Bad Debts/Advances written off	98	68
Auditors fees and expenses (refer Note 40)	83	32
Legal & Professional expenses	1,834	1,430
Commodity Hedging Loss	161	-
Depreciation on Investment Property	18	14
Miscellaneous expenses	4,399	1,808
Total	20,236	10,782

¹ Represents excise duty related to the differences between the closing stock and the opening stock.

² Amount is below the rounding off norm adopted by the Company.

(All amounts in ₹ Million, unless otherwise stated)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Note 31 - FINANCE COST		
Interest and Finance Expense		
- on non current borrowings	1,065	185
- other borrowing costs	410	78
- Others	174	313
Total	1,649	576

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

	For the year ended March 31, 2012	For the year ended March 31, 2011
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Note 32 - DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation on Tangible assets	3,717	2,461
Amortization on Intangible assets	124	4
Less: Vacuform goodwill impairment reclassified to exceptional expenses	(45)	–
Total	3,796	2,465

(All amounts in ₹ Million, unless otherwise stated)

	For the year ended March 31, 2012	For the year ended March 31, 2011
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Note 33 - EXCEPTIONAL ITEMS (GAINS)/ LOSSES		
Vacuform goodwill impairment	45	–
Acquisition and one time costs related to acquisition of SMP Group -		
- Travel costs	11	–
- Legal & Professional Costs	438	–
- Finance costs	315	–
Total	809	–

34. CONTINGENT LIABILITIES:

(Figures in ₹ Million)

	As At March 31, 2012	As At March 31, 2011
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	Claims against the Company not acknowledge as debts		
a)	Excise Matters	56	36
b)	Customs Demand Matters	–	32
c)	Sales Tax Matters	50	24
d)	Service Tax Matters	28	14
e)	Stamp Duty	5	5
f)	Claims made by workmen	13	11
g)	Entry Tax Matters	1	–
h)	Income Tax Matters	55	1,317

- (a) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.
- (b) The Company does not expect any reimbursements in respect of the above contingent liabilities.

Notes to the consolidated financial statements

35. CAPITAL AND OTHER COMMITMENTS

(Figures in ₹ Million)

		As At March 31, 2012	As At March 31, 2011
(a) Capital Commitments			
Estimated value of contracts in capital account remaining to be executed		2,074	2,421
Total		2,074	2,421
(b) Other Commitments			
Bank Guarantees / Letters of Credit furnished by the Company		197	288

36. Disclosure relating to entities considered in the consolidated financial statements:

A. Details of subsidiaries which have been considered in these consolidated accounts are as follows:

Name of the Company	Country of Incorporation	% voting power held as at		Reporting Dates used for Consolidation
		March 31, 2012	March 31, 2011	
MSSL Mauritius Holdings Limited	Mauritius	100%	100%	December 31, 2011
MSSL Mideast (FZE)	UAE	100%	100%	March 31, 2012
Motherson Electrical Wires Lanka Pvt. Limited	Sri Lanka	100%	100%	March 31, 2012
MSSL Handels GmbH	Austria	100%	100%	March 31, 2012
MSSL (S) Pte Ltd.	Singapore	100%	100%	March 31, 2012
MSSL GmbH (held by MSSL Mideast (FZE))	Germany	100%	100%	December 31, 2011
MSSL (GB) Limited (held by MSSL Mideast (FZE))	UK	100%	100%	December 31, 2011
Motherson Wiring System (FZE) (held by MSSL Mideast (FZE))	UAE	100%	100%	March 31, 2012
MSSL Tooling Limited (FZE) (held by MSSL Mideast (FZE))	UAE	100%	100%	March 31, 2012
MSSL Ireland Private Limited (held by MSSL Mauritius Holdings Limited)	Ireland	100%	100%	December 31, 2011
Global Environment Management (FZC) (held by MSSL Mauritius Holdings Limited)	UAE	78.82%	78.82%	December 31, 2011
MSSL Australia Pty Limited (held by MSSL (S) Pte. Ltd.)	Australia	80%	80%	March 31, 2012
MSSL Polymers GmbH (held by MSSL GmbH)	Germany	100%	100%	December 31, 2011
Samvardhana Motherson Invest Deutschland GmbH (held by MSSL GmbH)	Germany	100%	100%	December 31, 2011
MSSL Advanced Polymers s.r.o. (held by MSSL GmbH)	Czech Republic	100%	100%	December 31, 2011
Motherson Orca Precision Technology GmbH (held by MSSL GmbH)	Germany	95.1%	51%	December 31, 2011
MSSL s.r.l. Unipersonale (held by MSSL GmbH)	Italy	100%	100%	December 31, 2011
Global Environment Management Australia Pty Limited (held by Global Environment Management (FZC))	Australia	100%	100%	December 31, 2011
Motherson Elastomers Pty Limited (held by MSSL Australia Pty Limited)	Australia	100%	100%	March 31, 2012
Motherson Investments Pty Limited (held by MSSL Australia Pty Limited)	Australia	100%	100%	March 31, 2012
MSSL Global RSA Module Engineering Limited (held by MSSL Mauritius Holdings Limited)	South Africa	100%	100%	December 31, 2011
Samvardhana Motherson Global Holdings Ltd. (SMGHL) (held by MSSL Mauritius Holdings Limited)	Cyprus	51%	51%	March 31, 2012
MSSL Japan Limited (held by MSSL (S) Pte Limited)	Japan	100%	100%	March 31, 2012
MSSL Automobile Component Ltd	India	100%	–	March 31, 2012
Samvardhana Motherson Polymers Limited	India	51%	–	March 31, 2012
Samvardhana Motherson B.V. (NL) (held by Samvardhana Motherson Polymers Limited)	Netherlands	100%	–	–

Notes to the consolidated financial statements

Name of the Company	Country of Incorporation	% voting power held as at		Reporting Dates used for Consolidation
		March 31, 2012	March 31, 2011	
Forgu GmbH (held by Samvardhana Motherson B.V. (NL))	Germany	100%	–	March 31, 2012
SMP Deutschland GmbH (formerly known as Peguform GmbH) (held by Forgu GmbH and SMGHL)	Germany	80%	–	March 31, 2012
Peguform Iberica S.L. (held by Samvardhana Motherson B.V. (NL))	Spain	80%	–	March 31, 2012
SMP Automotive Technology Management Services (Chanchun) Co. Ltd. (formerly known as Peguform Corporate Management Services (Chanchun) Co. Ltd.) (held by SMP Deutschland GmbH)	China	100%	–	March 31, 2012
SMP Automotive Technologies Teruel S. L. (formerly Peguform de Teruel S.L.) (held by Peguform Iberica S.L.)	Spain	100%	–	March 31, 2012
Peguform Mexico S.A.de C.V. (held by Peguform Iberica S.L.)	Mexico	100%-1share	–	March 31, 2012
Peguform Module Division Iberica Cockpits S.L. (held by Peguform Iberica S.L.)	Spain	100%	–	March 31, 2012
SMP Automotive Solutions Personalleasings GmbH (Formerly known as Peguform Personaleasing GmbH) (held by SMP Deutschland GmbH)	Germany	100%	–	March 31, 2012
Samvardhana Motherson Peguform Automotive Technology Portugal S.A. (formerly Peguform Portugal S.A.) (held by Peguform Iberica S.L.)	Portugal	100%	–	March 31, 2012
Peguform Slovakia s.r.o (held by SMP Deutschland GmbH)	Slovakia	100%	–	March 31, 2012
Chanchun Peguform Automotive Plastics Technology Co. Ltd (held by SMP Deutschland GmbH)	China	50% +1share	–	March 31, 2012
SMP Tecnologia Parachoques S.A. de C.V. (formerly known as Fabrica de Parachoques de Mexico S.A. de C.V.) (held by Peguform Iberica S.L.)	Mexico	100%-1share	–	March 31, 2012
SMP Shock Absorber Fabrication Mexico S.A. de C.V.(formerly known as Shock Absorb de Mexico S.A de C.V) (held by Peguform Iberica S.L.)	Mexico	100%-1share	–	March 31, 2012
SMP Produtos Automotivos do Brasil Ltda.(formerly known as Peguform do Brasil Ltda.) (held by Peguform Iberica S.L.)	Brazil	100%-1share	–	March 31, 2012
Samvardhana Motherson Reflectec Group Holdings Limited (SMR) (held by SMGHL)	Jersey	93.6%	93.6%	March 31, 2012
SMR Automotive Holding Hong Kong Limited (held by SMR)	Hong Kong	100%	100%	March 31, 2012
SMR Automotive Technology Holding Cyprus Limited (held by SMR)	Cyprus	100%	100%	March 31, 2012
SMR Automotive Mirror Systems Holding Deutschland GmbH (held by SMR)	Germany	100%	100%	March 31, 2012
SMR Automotive Mirrors Stuttgart GmbH (formerly known as SMR Automotive Parts GmbH till 7th Dec 2011) (held by SMR)	Germany	100%	100%	March 31, 2012
SMR Poong Jeong Automotive Mirrors Korea Ltd. (held by SMR)	South Korea	90%	90%	March 31, 2012
SMR Hyosang Automotive Ltd. (held by SMR)	South Korea	90%	90%	March 31, 2012
SMR Holding Australia Pty Ltd. (held by SMR)	Australia	100%	100%	March 31, 2012

Notes to the consolidated financial statements

Name of the Company	Country of Incorporation	% voting power held as at		Reporting Dates used for Consolidation
		March 31, 2012	March 31, 2011	
SMR Automotive Australia Pty Limited (held by SMR)	Australia	100%	100%	March 31, 2012
SMR Automotive Taree Pty Limited (held by SMR)	Australia	100%	100%	March 31, 2012
SMR Automotive Mirror Technology Hungary BT (held by SMR)	Hungary	100%	100%	March 31, 2012
SMR Grundbesitz GmbH & Co. KG (held by SMR)	Germany	94%	94%	March 31, 2012
SMR Automotive Services GmbH (since merged with SMR Automotive Parts GmbH) (held by SMR)	Germany	–	100%	March 31, 2012
SMR Automotive Mirror Parts and Holdings UK Ltd (held by SMR)	UK	100%	100%	March 31, 2012
SMR Automotive Services Portchester Ltd (held by SMR)	UK	100%	100%	March 31, 2012
SMR Automotive Mirrors UK Limited (held by SMR)	UK	100%	100%	March 31, 2012
SMR Automotive Technology Valencia S.A.U. (held by SMR)	Spain	100%	100%	March 31, 2012
SMR Automotive Mirror Services UK Ltd. (held by SMR)	UK	100%	100%	March 31, 2012
SMR Automotive Technology Holdings USA Partners (held by SMR)	USA	100%	100%	March 31, 2012
SMR Automotive Mirror International USA Inc. (held by SMR)	USA	100%	100%	March 31, 2012
SMR Automotive Systems USA Inc. (held by SMR)	USA	100%	100%	March 31, 2012
SMR Automotive Systems France S.A. (held by SMR)	France	100%	100%	March 31, 2012
SMR Automotive Systems India Limited (held by SMR)	India	100%	100%	March 31, 2012
SMR Automotive Yancheng Co. Limited (held by SMR)	China	100%	100%	March 31, 2012
SMR Automotive Beijing Company Limited (held by SMR)	China	100%	100%	March 31, 2012
SMR Automotive Mirror Technology Holding Hungary KFT (held by SMR)	Hungary	100%	100%	March 31, 2012
SMR Automotive Systems Spain S.A.U (held by SMR)	Spain	100%	100%	March 31, 2012
SMR Automotive Vision Systems Mexico S.A de C.V (held by SMR)	Mexico	100%	100%	March 31, 2012
SMR Automotive Servicios Mexico S.A de C.V (held by SMR)	Mexico	100%	100%	March 31, 2012
SMR Automotive Mirrors Stuttgart GmbH (since merged with SMR Automotive Parts GmbH) (held by SMR)	Germany	–	100%	–
SMR Patents S.à.r.l. (held by SMR)	Luxembourg	100%	100%	March 31, 2012
SMR Automotive Beteiligungen Deutschland GmbH (held by SMR)	Germany	100%	100%	March 31, 2012
SMR Automotive Brasil Ltda. (held by SMR)	Brazil	100%	100%	March 31, 2012
SMR Automotives Systems Macedonia Dooel Skopje (held by SMR)	Macedonia	100%	–	March 31, 2012
SMR Automotive System (Thailand) Limited (held by SMR)	Thailand	100%	100%	March 31, 2012
SMR Automotive Operations Japan K.K. (held by SMR)	Japan	100%	–	March 31, 2012
MSSL México, S.A. De C.V. (held by MSSL (S) Pte Limited)	Mexico	100%	–	March 31, 2012
Vacuform 2000 (Pty) Limited (Vacuform) (held by MSSL Mauritius Holdings Limited)	South Africa	51%	–	March 31, 2012
India Nails Manufacturing Limited (since merged with MSSL)	India	–	100%	–
MSSL Global Wiring Limited (since merged with MSSL)	India	–	100%	–

Notes to the consolidated financial statements

B. Details of Associate Company are as follows:

Name of the Company	Country of Incorporation	% voting power held as at		Reporting Dates used for Consolidation
		March 31, 2012	March 31, 2011	
SAKS Ancillaries Limited	India	40.01%	40.01%	March 31, 2012
Wethje Entwicklungs GmbH (held by Forgu GmbH)	Germany	50%	–	March 31, 2012
Wethje Carbon Composite GmbH (held by Forgu GmbH)	Germany	50%	–	March 31, 2012
Die Wethje GmbH Kunststofftechnik (held by Wethje Carbon Composite GmbH)	Germany	50%	–	March 31, 2012
Re time Pty Limited (held by SMR)	Australia	20.15%	–	March 31, 2012

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		Reporting Dates used for Consolidation
		March 31, 2012	March 31, 2011	
Kyungshin Industrial Motherson Limited	India	50%	50%	March 31, 2012
Woco Motherson Limited (FZC) (through MSSL Mauritius Holdings Limited)	U.A.E	33.33%	33.33%	December 31, 2011
Woco Motherson Elastomers Limited	India	33.33%	33.33%	March 31, 2012
Woco Motherson Advanced Rubber Technologies Limited	India	33.33%	33.33%	March 31, 2012
Calsonic Kansei Motherson Auto Products Limited	India	49%	49%	March 31, 2012
Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd. (through SMR)	China	50%	50%	March 31, 2012
Celulosa Fabril S.A. (through Peguform Iberica S.L.)	Spain	50%	–	March 31, 2012
Modulos Rivera Alta S.L.U. (through Celulosa Fabril S.A.)	Spain	100%	–	March 31, 2012

37. Acquisition of Interests in Subsidiaries

a) Peguform Group

On November 23, 2011, Samvardhana Motherson B.V. (SMBV), wholly owned subsidiary of Samvardhana Motherson Polymers Limited (SMPL), incorporated in Netherland, together with its subsidiary Forgu GmbH (together referred to as overseas Special Purpose Vehicles) and Samvardhana Motherson Global Holdings Limited (SMGHL) acquired 80% stake in SMP Deutschland GmbH (formerly Peguform GmbH) and Peguform Iberica, SL including subsidiaries and joint ventures together with a 50% stake in Wethje Entwicklungs, GmbH and Wethje Carbon Composite, GmbH (together referred to as SMP Group) for a cash consideration of ₹ 10,039 million (Euro 141.5 million). SMPL is a subsidiary of the Company, in which the Company holds 51% and Samvardhana Motherson Finance Limited holds 49% share. SMGHL is a subsidiary of the Company through wholly owned subsidiary MSSL Mauritius Holdings Limited, in which the Company holds 51% and Samvardhana Motherson Finance Limited holds 49% share.

SMP Group acquired is one of the largest manufacturers of Dash Boards, Bumpers, Door Trims and Plastic Modules and supplies to the major car manufacturers in Germany and Europe with a presence in seven countries.

Notes to the consolidated financial statements

As a result, the following subsidiaries, joint ventures and associates were transferred (directly or indirectly) to the Company:

Name of Company	Country of incorporation	% voting power controlled
SMP Deutschland GmbH (formerly Peguform GmbH)	Germany	80%
Peguform Iberica S.L.	Spain	80%
SMP Automotive Solutions Personalleasings GmbH (formerly Peguform Personalleasing GmbH) (held by SMP Deutschland GmbH)	Germany	100%
Peguform Slovakia s.r.o. (held by SMP Deutschland GmbH)	Slovakia	100%
Changchun Peguform Automotive Plastics Technology Co. Ltd. (held by SMP Deutschland GmbH)	China	50% +1 Share
SMP Automotive Technology Management Services (Changchun) Co. Ltd. (formerly Peguform Corporate Management Services (Changchun) Co. Ltd.) (held by SMP Deutschland GmbH)	China	100%
Peguform Mexico S.A. de C.V (held by Peguform Iberica S.L.)	Mexico	100% - 1 share
SMP Tecnologia Parachoque S.A. de C.V. (formerly Fabrica de Parachoque de Mexico S.A. de C.V.) (held by Peguform Iberica S.L.)	Mexico	100% - 1 share
SMP Shock Absorber fabrication Mexico S.A. de C.V. (formerly Shock Absorb de Mexico S.A. de C.V.) (held by Peguform Iberica S.L.)	Mexico	100% - 1 share
Peguform Module Division Iberica Cockpits S.L. (held by Peguform Iberica S.L.)	Spain	100%
Samvardhana Motherson Peguform Automotive Technology Portugal S.A. (formerly Peguform Portugal S.A.) (held by Peguform Iberica S.L.)	Portugal	100%
Celulosa Fabril S.A. (held by Peguform Iberica S.L.)	Spain	50%
SMP Automotive Technologies Teruel S.L. (formerly Peguform de Teruel S.L.) (held by Peguform Iberica S.L.)	Spain	100%
SMP Automotive Produtos Automotivos do Brasil Ltda (formerly Peguform do Brasil Ltda.) (held by Peguform Iberica S.L.)	Brazil	100% - 1 share
Wethje Entwicklungs GmbH (held by Forgu GmbH)	Germany	50%
Wethje Carbon Composite GmbH (held by Forgu GmbH)	Germany	50%
Die Wethje GmbH Kunststofftechnik (held by Wethje Carbon Composite GmbH)	Germany	50%
Celulosa Fabril S.A. (through Peguform Iberica S.L.)	Spain	50%

The financing of the entire transaction has been done by debt taken through a syndicate of banks. The debt has been taken by overseas Special Purpose Vehicles (SPV) of SMPL together with SMGHL for ₹ 12,804 million (USD 241 million) for the acquisition of SMP Group guaranteed by the Company and SMFL in the ratio of 51% and 49% respectively amounting to ₹ 6,530 million (USD 123 million) and ₹ 6,274 million (USD 118 million) respectively.

The aggregate purchase price paid for the acquisition of 80% stake in SMP Deutschland GmbH (formerly Peguform GmbH) and Peguform Iberica, SL including subsidiaries and joint ventures together with 50% stake in Wethje Entwicklungs, GmbH and Wethje Carbon Composite, GmbH (together referred to as SMP Group) amounts to ₹ 10,039 million (Euro 141.5 million).

Notes to the consolidated financial statements

The book value of the net assets acquired amounted to ₹ 8,820 million (Euro 124 million). Accordingly an amount of ₹ 1,219 million (Euro 18 million), being the excess of acquisition cost over the net assets acquired has been recognised as goodwill on consolidation.

Further costs directly attributable to the acquisition of SMP Group and one-time costs incurred including due diligence expenses, upfront and arrangers fees etc. amounting to ₹ 764 million has been charged to the profit and loss account.

b) Vacuform 2000 (Pty) Limited

The Company has, through its subsidiary, acquired a 51 % stake in Vacuform 2000 (Pty) Limited, a company registered in the Republic of South Africa. Upon receipt of necessary approval, the Company has now consolidated the results of Vacuform 2000 (Pty) Limited (Vacuform) with effect from July 1, 2011. The aggregate purchase price paid amounted to ₹ 0.0 million (excluding the shareholder loan amounting to ₹66 million).

Vacuform is engaged in the manufacture and sale of thermo-formed plastic, polyurethane and automotive components.

Accordingly an amount of ₹ 45 million being the excess of acquisition cost over the net assets acquired has been recognised as goodwill on consolidation which has been fully impaired during the current period.

38. Amalgamation of Sumi Motherson Innovative Engineering Limited (SMIEL) and wholly owned subsidiaries namely, India Nails Manufacturing Limited and MSSL Global Wiring Limited (MGWL) with the Company

- a) The Company (MSSL) filed for approval of the Hon'ble High Court of Judicature at Delhi arrangements as embodied in the Scheme of Amalgamation ("the Scheme") of the erstwhile Sumi Motherson Innovative Engineering Limited (SMIEL) and wholly owned subsidiaries of MSSL namely, India Nails Manufacturing Limited (India Nails) and MSSL Global Wiring Limited (MGWL), the transferor Companies with the Company (Motherson Sumi Systems Limited), the transferee Company. The Hon'ble High Court of Judicature of Delhi has vide order dated January 30, 2012 inter alia ordered that with effect from April 1, 2011 (the Appointed Date) all properties, rights and powers and liabilities and duties of the transferor companies are transferred and vested in MSSL.
- b) SMIEL is engaged in the business of manufacture and sale of moulds, dies and components including plastic injection moulded, dip moulded and press stamping components mainly for automobile sector. MGWL is engaged in the business of manufacture and sale of wiring harnesses and related components primarily for use in automotives. India Nails was earlier undertaking the business of manufacture of shoe nails and ancillary objects and has been proposing to engage in the business of manufacture of wiring harnesses and related components.
- c) Pursuant to the said order its effect has been accounted for under the "pooling of interests" method as prescribed under Accounting Standard (AS-14) notified under Companies (Accounting Standards) Rules, and the specific provisions of the order of the Hon'ble High Court. The certified copy of the order of the Hon'ble High court has been filed with the Registrar of the Companies on March 31, 2012 and a further addendum was filed on April 12, 2012. Accordingly, all the assets and liabilities of the transferor companies as on April 1, 2011 have been recorded by MSSL at their respective amounts.
- d) Pursuant to the order of the Hon'ble High Court in consideration for the above transfer, on amalgamation of SMIEL with the Company under the scheme, the equity shareholders of SMIEL shall, for every 57 equity shares of ₹ 10 each fully paid up held as on the record date, be issued 10 equity shares of ₹ 1/- each of the Company. Accordingly the Company has issued 4,420,360 equity shares on April 23, 2012, thereby increasing its equity capital to ₹ 392 million. Pending issue and allotment of shares as at March 31, 2012, ₹ 4 million has been disclosed under Share Capital Suspense Account.

Further, the preference shares of SMIEL for ₹ 100 million have been redeemed on March 28, 2012.

- e) In view of the amalgamation of Sumi Motherson Innovative Engineering Limited (SMIEL) and wholly owned subsidiaries namely, India Nails Manufacturing Limited (India Nails) and MSSL Global Wiring Limited (MGWL) with the Company effective from April 1, 2011, the figures for the current year are not directly comparable to those of the previous year.

Notes to the consolidated financial statements

The amount as at April 1, 2011 of the amalgamating companies included in the financial statements of the Company is as below:

(Figures in ₹ Million)

Particulars	SMIEL	India Nails	MGWL
Net Fixed Assets	698	–	–
Net Current Assets	161	–	–
(Debit)/Credit Balance of Profit/Loss Account	389	(348)	–
General Reserve	64	–	–
Capital Redemption Reserve	50	–	–
Reserves on amalgamation	248	173	–

Consequently;

- In respect of the amalgamation of Sumi Motherson Innovative Engineering Limited (SMIEL) with the Company, the excess of amount of share capital over the par value of the share issued as mentioned in (b) above amounting to ₹ 248 million has been credited to the amalgamation reserve of the Company.
- In respect of the amalgamation of wholly owned subsidiary, India Nails Manufacturing Limited (India Nails), 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 amounting to ₹ 173 million has been credited to the amalgamation reserve of the Company. Further the goodwill recognised on consolidation during previous year amounted to ₹ 173 million has been reversed in the consolidated financial statements.

39. Derivative instruments and unhedged foreign currency exposure

a. Derivatives outstanding as at the reporting date:

(Figures in Million)

Particular	Currency	March 31, 2012	March 31, 2011
Hedge of external commercial borrowings	USD	4	5
	JPY	260	405
	EUR	9	–
Hedge of Working Capital Loan in foreign currency	USD	2	–
Sundry Creditors	JPY	–	1,326
Sundry Creditors/Debtors	EUR	–	1

Notes to the consolidated financial statements

b. Particular of unhedged foreign exposure as at the reporting date:

(Figures in Million)

Currency	As at March 31, 2012 Payable / (Receivable)	As at March 31, 2011 Payable / (Receivable)
EUR	4	(11)
GBP	(3)	(2)
JPY	1,609	413
USD	317	134
SGD*	0	0
CHF*	0	0
AUD*	0	0
KRW	3	(231)
CNY*	0	0
MXN*	18	0
HUF	204	–
THB	–	2
HKD	4	–
INR	34	83
AED	–	2
LKR*	–	0

* Amount is below the rounding off norm adopted by the Company

40. Payment to Group's Auditors:

(Figures in ₹ Million)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Audit Fees (including limited review)	69	31
Taxation Matters*	0	0
Reimbursement of expenses	3	–
Fee for certification & other services	11	1
Total	83	32

* Amount is below the rounding off norm adopted by the Company

Notes to the consolidated financial statements

41. Earnings per share

		Year ended March 31, 2012*	Year ended March 31, 2011
a) Basic			
Net profit after tax (₹ in Millions)		2,596	3,908
Less: Dividend on Preference Shares (Including dividend tax) (₹ in Millions)		9	–
Net profit after tax available for equity Shareholders (₹ in Millions) -(A)		2,587	3,908
Equity Shares outstanding at year end		387,543,800	387,543,800
Add: Equity shares of ₹ 1/- each to be issued as fully paid up to the shareholders of erstwhile Sumi Motherson Innovative Engineering Limited (SMIEL) pursuant to the scheme of amalgamation. (Refer Note 38)		4,420,360	–
Less: Adjustment in respect of 12,950,000 shares allotted during the year on conversion of Zero Coupon Convertible Bonds		–	1,487,260
Weighted Average number of equity shares used to compute basic earnings per share- (B)		391,964,160	386,056,540
Basic Earnings (in Rupees) Per Share of ₹ 1/- each. (Previous Year ₹ 1/- each) (A/B)		6.6	10.1
b) Diluted			
Net profit after tax available for equity Shareholders (₹ in Millions) -(A)		2,587	3,908
Adjustment for net premium & exchange loss / (Gain) on Zero Coupon Convertible Bonds (net of Taxes) (₹ in millions)		–	(31)
Adjusted Net Profit (₹ in millions)		2,587	3,877
Weighted Average number of equity shares used to compute basic earnings per share- (B)		391,964,160	386,056,540
Add: Adjustment on account of Zero Coupon Convertible Bonds		–	1,487,260
Weighted Average number of Equity Shares of ₹ 1/- each (Previous Year ₹ 1/- each) outstanding at the end of the year		391,964,160	387,543,800
Diluted Earnings (in Rupees) Per Share of ₹ 1/- each. (Previous Year ₹ 1/- each)		6.6	10.0

*Diluted EPS has been computed at fully diluted paid up capital of ₹ 392 million on account of shares to be issued to shareholders of erstwhile Sumi Motherson Innovative Engineering Limited on its merger with the Company, which is dilutive during the period.

42. The group has the following provisions in the books of account:

(Figures in ₹ Million)

	Warranty		Onerous Contracts		Litigations	
	2012	2011	2012	2011	2012	2011
Opening Balance	350	335	63	99	42	–
Addition acquired through acquisition	163	–	–	–	39	–
Additions during the year	336	249	–	–	22	41
Utilised / Reversed during the year	(335)	(246)	(14)	(38)	(24)	–
Exchange translation adjustment	33	12	5	2	(0)	1
Closing Balance	547	350	54	63	79	42
Classified as Non - Current	61	144	–	–	59	–
Classified as Current	486	206	54	63	20	42

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. Due to the very nature of such costs, it is not possible to estimate the uncertainties relating to the outflows of economic benefits.

Notes to the consolidated financial statements

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.

Litigations

Litigations primarily comprise provision in respect of the following:

- a. Labour claims - ₹ 46 million (Previous Year : ₹ 4 million): Amount of the provision relates to claims against the company in respect of overtime payment, salary parity payment, tenure / damages caused by labour related diseases and labour accidents.
- b. Civil claims - ₹ 13 million (Previous Year ₹ 19 million): Amount of the provision relates to claims against the company from suppliers.
- c. Tax claims - ₹ 20 million (Previous Year ₹ 19 million): Amount of the provision relates to claims against the company in respect of sales tax , excise and entry tax demands including interest thereon, where applicable, being contested by the Company. It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

43. 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 ₹ Million)

	Minimum Lease Payments	
	March 31, 2012	March 31, 2011
Not later than one year	599	35
Later than 1 year and not later than 5 years	1,169	101
Later after 5 years	244	–
Total	2,012	136
Less: Finance Charges	305	2
Present value of minimum lease period	1,707	116

Operating Leases:

The Company has significant operating leases for premises. These lease arrangements range for a period between 11 months and 10 years, which include both cancellable and no cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses. The Company has entered into some sub-leases and all such subleases are cancellable and are for a period of 11 months, with an option of renewal on mutually agreeable terms.

(Figures in ₹ Million)

	Year ended March 31, 2012	Year ended March 31, 2011
With respect to all operating leases:		
Lease payments recognised in the Statement of Profit and Loss during the year	1367	781
Sub-lease payments received / receivable recognised in the Statement of Profit and Loss during the year	149	127

Notes to the consolidated financial statements

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 ₹ Million)

Particulars	As at March 31, 2012	As at March 31, 2011
Payable not later than 1 year	499	419
Payable later than 1 year and not later than 5 years	1,184	451
Payable later than 5 years	565	399

44. 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
 Celulosa Fabril S.A.
 Modulos Rivera Alta S.L.U.

b. **Associate Companies:**

Saks Ancillaries Limited
 Die Wethje GmbH Kunststofftechnik
 Wethje Carbon Composite GmbH
 Wethje Entwicklungs GmbH
 Re time Pty Limited

c. **Key Management Personnel:**

i) **Board of Directors:**

Mr. M. S. Gujral (Late) (cessation due to death on 04.05.2012)
 Mr. V. C. Sehgal
 Mr. Laksh Vaaman Sehgal
 Mr. Toshimi Shirakawa
 Mr. Toshihiro Watanabe (resigned w.e.f. 25.04.2011)
 Mr. Hideaki Ueshima (appointed on 28.04.2011)
 Mr. Bimal Dhar (resigned w.e.f. 02.09.2011)
 Mr. Hiroto Murai
 Maj. Gen. Amarjit Singh (Retd.)
 Mr. Pankaj Mital
 Mr. Arjun Puri
 Mr. Futoshi Urai (resigned w.e.f. 13.02.2012)
 Mr. Masahiro Matsushita (appointed on 13.02.2012 and resigned on 27.03.2012)

ii) **Other Key Management Personnel:**

Mr. Ravindra Mathur
 Mr. G.N. Gauba
 Mr. Sanjay Mehta

Notes to the consolidated financial statements

iii) Relatives of Key Management Personnel:

Ms. Renu Sehgal

Ms. Vidhi Sehgal

Ms. Geeta Soni

Ms. Nilu Mehra

Mr. Harjit Singh

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 (SMIEL, now merged with MSSL)

SWS India Management Support & Service (P) Limited

Vaaman Auto Industry

A Basic Concepts Design India Private Limited

Motherson Sumi INFotech and Designs Limited

Motherson Engineering Research and Integrated Technologies Limited

Moon Meadows Private Limited

Sisbro Motor and Workshop Private Limited

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

SCCL Infra Projects Limited

Notes to the consolidated financial statements

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 Industrial Co., Korea

Woco Franz Josef Wolf Holding GmbH, Germany

Calsonic Kansei Corporation, Japan

E-Compost Pty. Limited, Australia

Dremotec GmbH & Co. KG, Germany

II. Details of transactions, in the ordinary course of business at commercial terms, and balances with related parties as mentioned in 44 (I) above:

(Figures in ₹ Million)

S.No.	Particulars	Parties mentioned in 44 (1) (a) above		Parties mentioned in 44 (1) (b) & (d) above		Parties mentioned in 44 (1) (e) above		Parties mentioned in 44 (1) (c) above	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1	Sale of Goods	1,976	1,761	218	228	547	510	—	—
2	Rendering of Services	235	335	43	40	—	—	—	—
3	Sale of Fixed Assets	—	9	3	—	—	—	—	—
4	Purchase of Goods	33	35	509	1,137	1,867	1,466	—	—
5	Purchase of Fixed Assets	—	—	1,841	1,904	12	9	—	—
6	Purchase of Services	20	2	1,178	865	71	62	6*	47*
7	Reimbursement (Net)	0#	1	203	279	4	7	—	—
8	Investments made during the year	—	70	464	—	—	—	—	—
9	Purchase of Shares	—	—	—	—	—	149	—	—
10	Investments Redeemed	—	18	—	—	—	—	—	—
11	Royalty	—	—	2	2	221	188	2	1
12	Remuneration/Sitting Fees of Directors and Key Management Personnel	—	—	—	—	—	—	28	32
13	Interest Income	—	4	18	16	—	—	—	—
14	Interest Expense	—	—	5	2	—	—	—	—
15	Dividend Paid	—	—	387	246	353	282	42**	27**
16	Dividend Received	225	215	1	2	—	—	—	—
17	Loans Received during the year	—	—	33	29	—	—	—	—
18	Loans Given during the year	—	—	36	120	50	—	—	—

Notes to the consolidated financial statements

(Figures in ₹ Million)

S.No.	Particulars	Parties mentioned in 44 (1) (a) above		Parties mentioned in 44 (1) (b) & (d) above		Parties mentioned in 44 (1) (e) above		Parties mentioned in 44 (1) (c) above	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
19	Loans Repaid during the year	160	60	30	35	3	—	—	—
20	Loans Received back during the year	—	—	—	50	—	—	—	—
21	Security Deposits Received	—	—	9	1	—	—	—	—
22	Security Deposits Repaid	—	1	—	74	—	—	—	—
23	Security Deposit given	—	—	—	—	—	—	—	—
Balances as at year end									
24	Investments	—	—	510	56	—	—	—	—
25	Loans Payable	—	153	62	56	20	23	—	—
26	Advances and other Receivable	34	1	248	328	—	—	—	—
27	Security Deposit Received	40	40	19	10	—	—	—	—
28	Security Deposits Given	—	—	3	0#	—	—	1	1
29	Trade Payable	4	2	561	413	438	227	1	—
30	Trade Receivable	305	262	197	231	32	48	—	—
31	Advances from customer	4	—	21	—	1	—	—	—

* Rent of ₹ 3 million (Previous Year ₹ 2 million) paid to Mr. V.C Sehgal, Mr. Laksh Vaaman Sehgal, Ms. Renu Sehgal, Ms. Vidhi Sehgal.

** Dividend of ₹ 42 million (Previous Year ₹ 27 million) paid to Mr. V. C. Sehgal, Ms. Renu Sehgal, Ms. Neelu Mehra, Ms. Geeta Soni, Mr. Bimal Dhar, Mr. Pankaj Mital, Mr. M.S. Gujral, Mr. G.N. Gauba.

Amounts are below appearing as zero "0" are below the rounding off norm adopted by the Company.

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

(Figures in ₹ Million)

S.No.	Particulars	2011-12		2010-11	
		Name of Related Party	Amount	Name of Related Party	Amount
1	Sale of Goods	Kyungshin Industrial Motherson Limited	1,839	Kyungshin Industrial Motherson Ltd.	1,656
		Sumitomo Wiring Systems Limited, Japan	545	Sumitomo Wiring Systems Limited, Japan	412
2	Rendering of Services	Kyungshin Industrial Motherson Limited	208	Kyungshin Industrial Motherson Ltd.	307
3	Sale of Fixed Assets	Systematic Conscos Limited	3	Calsonic Kansei Motherson Auto Products Ltd.	9
4	Purchase of Goods	CTM India Limited.	333	CTM India Limited	270
		Sumitomo Wiring Systems Limited, Japan	547	Sumitomo Wiring Systems Limited, Japan	298
		Kyungshin Industrial Co., Korea	1,161	Kyungshin Industrial Co., Korea	966
				Sumi Motherson Innovative Engineering Limited	681
5	Purchase of Fixed Assets	Systematic Conscos Limited	1,721	Systematic Conscos Limited	1,727
6	Purchase of Services	Saks Ancillaries Limited	141	Saks Ancillaries Ltd	142
		Motherson Auto Limited	165	Motherson Auto Limited	127
		Motherson Air Travel Agencies Limited	198	Motherson Air Travel Agencies Ltd.	143
		Motherson Sumi Infotech and Designs Limited	447	Motherson Sumi Infotech and Designs Limited	310
7	Reimbursement (Net)	Systematic Conscos Limited	178	Systematic Conscos Limited	159
				A Basic Concepts Design Pty Ltd.	65

Notes to the consolidated financial statements

(Figures in ₹ Million)

S.No.	Particulars	2011-12		2010-11	
		Name of Related Party	Amount	Name of Related Party	Amount
8	Investments made during the year	Wethje Carbon Composite GmbH and Wethje Entwicklungs GmbH	454	Calsonic Kansei Motherson Auto Products Limited	70
9	Purchase of Shares			Balda AG, Germany	149
10	Investments redeemed			Woco Motherson Advanced Rubber & Tech Limited	18
11	Royalty	Sumitomo Wiring Systems Limited, Japan	177	Sumitomo Wiring Systems Limited, Japan	138
		Kyungshin Industrial Co., Korea	38	Kyungshin Industrial Co., Korea	39
12	Remuneration/Sitting Fees of Directors and Key Management Personnel	Mr. Pankaj Mital	7	Mr. Pankaj Mital	6
		Mr. Sanjay Mehta	4	Mr. Toshihiro Watanabe	4
		Mr. G. N. Gauba	7	Mr. G. N. Gauba	6
				Mr. Vivek Avasthi	4
13	Interest Income	Motherson Auto Limited	16	Motherson Auto Limited	16
		Systematic Conscom Limited	2	Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd.	4
14	Interest Expense	Saks Ancillaries Limited	4	Saks Ancillaries Ltd	2
		A Basic Concepts Design Pty Limited	2		
15	Dividend Paid	Samvardhana Motherson Finance Limited	387	Samvardhana Motherson Finance Limited	246
		Sumitomo Wiring Systems Limited, Japan	266	Sumitomo Wiring Systems Limited, Japan	170
		Kyungshin Industrial Co., Korea	86	Kyungshin Industrial Co., Korea	86
16	Dividend Received	Kyungshin Industrial Motherson Limited	172	Kyungshin Industrial Motherson Limited	172
		WOCO Motherson Advanced Rubber & Tech. Ltd.	27	WOCO Motherson Advanced Rubber & Tech. Ltd.	27
		Woco Motherson Limited (FZC)	26		
17	Advance Given			Calsonic Kansei Motherson Auto Products Limited	70
18	Loans Received during the year	Saks Ancillaries Limited	30	Saks Ancillaries Ltd	29
		Samvardhana Motherson Holding (M) Private Limited.	4		
19	Loans Given during the year	Motherson Auto Limited	100	Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd.	36
		Systematic Conscom Limited	20	Sumi Motherson Innovative Engineering Limited	50
20	Loans Repaid during the year	Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd.	160	Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd.	60
		Saks Ancillaries Ltd	20	Saks Ancillaries Ltd	35
21	Loans Received back during the year			Sumi Motherson Innovative Engineering Limited	50
22	Security Deposits Received	CTM India Limited.	9	CTM India Limited	1
23	Security Deposits Repaid			Motherson Auto Limited	16
				Samvardhana Motherson Finance Ltd	59
	Balances as at year end				
24	Loans Payable	Saks Ancillaries Limited	45	Saks Ancillaries Limited	35
		A Basic Concepts Design Pty Limited	13	A Basic Concepts Design Pty Limited	21
		Calsonic Kansei Corporation, Japan	20	Calsonic Kansei Corporation, Japan	23
				Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd.	154

Notes to the consolidated financial statements

(Figures in ₹ Million)

S.No.	Particulars	2011-12		2010-11	
		Name of Related Party	Amount	Name of Related Party	Amount
25	Advances and other Receivable	Motherson Auto Limited	222	Motherson Auto Limited	118
		Systematic Conscos Limited	20	Systematic Conscos Limited	37
		Die Wethje GmbH Kunststofftechnik	30	Motherson Molds and Diecasting Ltd.	143
26	Security Deposit Received	Kyungshin Industrial Motherson Limited	30	Kyungshin Industrial Motherson Ltd.	30
		CTM India Limited.	11	Calsonic Kansei Motherson Auto Products Limited	-5
27	Security Deposits Given	Motherson Auto Limited	4	Motherson Auto Limited	1
28	Trade Payable	Sumitomo Wiring Systems Limited, Japan	194	Sumitomo Wiring Systems Limited, Japan	69
				Sumi Motherson Innovative Engineering Limited	83
		Motherson Sumi Infotech and Designs Limited	137	Motherson Sumi Infotech and Designs Limited	59
		Systematic Conscos Limited	245	Systematic Conscos Limited	346
		Kyungshin Industrial Co., Korea	179	Kyungshin Industrial Co., Korea	115
29	Trade Receivable	Kyungshin Industrial Motherson Limited	271	Kyungshin Industrial Motherson Limited	230
		CTM India Limited.	51		
30	Advances from customers	Die Wethje GmbH Kunststofftechnik	21		
		Celulosa Fabril S.A.	4		

45. Segment Information:

The Company has considered the business segment as the primary reporting segment on the basis that the risk and returns of the Company is primarily determined by the nature of products and services. Consequently, the geographical segment has been considered as a secondary segment.

The business segment have been identified on the basis of the nature of products and services, the risks and returns, internal organisation and management structure and the internal performance reporting systems.

The business segment comprise of the following:

Segments	Products categories in respective segments
Automotive	Wiring Harness, High Tension Cords, Wire, Plastic Components, Rubber Components, Cockpit Assembly, Mould for wiring harness components and mould parts, plastic moulded components and brass terminals
Non-Automotive	Wiring Harness, Pen-Stamp Assembly, Plastic Components for white goods, Household Wires, Plates, Aerobin

Geographical segment is considered based on sales within India and outside India

Notes to the consolidated financial statements

a) Information about Primary Business Segments

(Figures in ₹ Million)

	Automotive		Non automotive		Unallocated		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Segment revenue								
External	143,722	79,271	5,572	4,749	244	566	149,538	84,586
Intersegment	445	488	—	—	—	—	445	488
Total revenue #	143,277	78,783	5,572	4,749	244	566	149,093	84,098
Results								
Segment result	5,343	5,887	626	360	—	—	5,969	6,247
Interest expense (net of Interest income)	—	—	—	—	1,531	496	1,531	496
Other Unallocable (net of Income)	—	—	—	—	322	(563)	322	(563)
Profit before taxation	—	—	—	—	—	—	4,116	6,314
Provision for taxation	—	—	—	—	2,153	1,885	2,153	1,885
Profit of Associate	—	—	—	—	2	2	2	2
Net profit after tax	—	—	—	—	—	—	1,965	4,431
- Concern Share	—	—	—	—	—	—	2,596	3,908
- Minority Share	—	—	—	—	—	—	(631)	523
Other items								
Segment assets	113,203	46,892	3,748	3,003	3,515	1,382	120,466	51,277
Segment liabilities	47,107	16,034	1,376	1,225	48,335	15,750	96,818	33,009
Capital expenditure	11,463	7,635	222	216	—	2	11,658	7,853
Depreciation & Impairment	3,634	2,339	162	126	—	—	3,796	2,465
Amortization of Premium on Redemption of FCCB	—	—	—	—	—	3	—	3

Excluding Interest Income.

b) Information about Secondary Business Segments

(Figures in ₹ Million)

Revenue by geographical markets	India		Outside India		Unallocated		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
External	38,946	31,840	109,903	51,692	244	566	149,093	84,098
Inter segment	—	—	—	—	—	—	—	—
Total	38,946	31,840	109,903	51,692	244	566	149,093	84,098
Carrying amount of segment assets	28,065	20,398	88,886	29,547	3,515	1,382	120,466	51,277
Addition to fixed assets	3,636	3,738	8,022	4,115	—	—	11,658	7,853

c) 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.

46. The long term defined employee benefits and contribution schemes of the Group are as under:

(A) Defined Benefit Schemes

(1) Gratuity / Pension Benefits

Notes to the consolidated financial statements

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

(Figures in ₹ Millions)

(i) Present Value of Defined Benefit Obligation

	Year ended March 31, 2012	Year ended March 31, 2011
Obligations at year beginning	1,336	1,118
Obligations at year beginning consequent to Acquisition	312	–
Obligations at year beginning consequent to Amalgamation	39	–
Service Cost - Current	125	170
Interest Cost	72	56
Actuarial (gain) / loss	90	40
Benefit Paid	(159)	(100)
Effect of Exchange rate change	101	52
Obligations at year end	1,916	1,336

(ii) Fair Value of Plan Assets

	Year ended March 31, 2012	Year ended March 31, 2011
Plan assets at year beginning, at fair value	1,093	966
Plan assets at year beginning consequent to Amalgamation	23	–
Expected return on plan assets	52	44
Actuarial gain / (loss)	107	2
Contributions	76	73
Benefits paid	(84)	(39)
Effect of Exchange rate change	79	47
Plan assets at year end, at fair value	1,346	1,093

(iii) Assets and Liabilities recognized in the Balance Sheet

	Year ended March 31, 2012	Year ended March 31, 2011
Present Value of the defined benefit obligations	1,916	1,336
Fair value of the plan assets	1,346	1,093
Amount not recognized because of limitation of assets	157	153
Amount recognized as Liability	727	396
Recognised Under		
Long Term Provision (Refer Note No 9)	684	349
Short Term Provision (Refer Note No 13)	43	47

(iv) Defined benefit obligations cost for the year:

	Year ended March 31, 2012	Year ended March 31, 2011
Service Cost - Current	125	170
Interest Cost	72	56
Expected return on plan assets	(52)	(44)
Actuarial (gain) / loss	(17)	38
Net defined benefit obligations cost	128	220

Notes to the consolidated financial statements

(v) Investment details of Plan Assets

In respect of the companies incorporated in India, 100% of the plan assets are lying in the Gratuity fund administered through Life Insurance Corporation of India (LIC) under its Group Gratuity Scheme. In respect of companies incorporated outside India, the plan assets are invested in equities, bonds, respective gilt securities and cash.

The details of investments of plan assets are as follows:

(Figures in ₹ Million)

	Year ended March 31, 2012	Year ended March 31, 2011
LIC	226	154
Equities	125	131
Bonds, Gilts and Others	985	808
Cash	10	–
Total	1,346	1093

The expected rate of return on assets is determined based on the assessment made at the beginning of the year on the return expected on its existing portfolio, along with the estimated increment to the plan assets and expected yield on the respective assets in the portfolio during the year.

(vi) Actuarial assumptions:

	2012		2011	
	Indian	Foreign	Indian	Foreign
Discount Rate	8.3%-8.83%	1.99%-11.3%	7.0% - 8.30%	5.1% - 10.0%
Future salary increases	6.0% - 7.50%	2.5% - 17.0%	4.5% - 7.50%	5.0% - 14.0%
Expected return on plan assets	9.0% - 9.40%	3.5% - 7.0%	8.0% - 9.50%	3.5%-7.0%

(vii) Amount recognized in current year and previous four years:

	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Defined benefit obligations	1,916	1,336	1,114	775	88
Plan assets	(1,346)	(1,093)	(966)	(913)	(68)
Deficit / (Surplus)	570	243	148	(138)	20

Expected contribution on account of Gratuity for the year ending March 31, 2012 can not be ascertained at this stage.

(2) 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:

Notes to the consolidated financial statements

(Figures in ₹ Millions)

(i) Present Value of Defined Benefit Obligation

	Year ended March 31, 2012	Year ended March 31, 2011
Obligations at year beginning	65	48
Obligations at year beginning consequent to Amalgamation	11	0
Service Cost - Current	20	13
Interest Cost	7	4
Actuarial (gain) / loss	12	7
Benefit Paid	(10)	(7)
Effect of Exchange rate change	–	–
Obligations at year end	105	65

(ii) Assets and Liabilities recognized in the Balance Sheet:

	Year ended March 31, 2012	Year ended March 31, 2011
Present Value of the defined benefit obligations	105	65
Fair value of the plan assets	–	–
Amount recognized as Liability	105	65
Recognised Under		
Long Term Provision (Refer Note No 9)	102	61
Short Term Provision (Refer Note No 13)	3	4

(iii) Defined benefit obligations cost for the year:

	Year ended March 31, 2012	Year ended March 31, 2011
Service Cost - Current	20	13
Interest Cost	7	4
Expected return on plan assets	–	–
Actuarial (gain) / loss	12	7
Net defined benefit obligations cost	39	24

(iv) Actuarial assumptions:

	2012		2011	
	Indian	Foreign	Indian	Foreign
Discount Rate	8.3% - 8.83%	1.99% - 11.3%	7.0% - 8.30%	5.1% - 10.0%
Future salary increases	6.0% - 7.50%	2.5% - 17.0%	4.5% - 7.50%	5.0% - 14.0%

(v) Amount recognized in current year and previous four years

	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Defined benefit obligations	105	65	48	39	29
Plan assets	–	–	–	–	–
Deficit /(Surplus)	105	65	48	39	29

(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 ₹ 1,867 million (Previous Year: ₹ 899 million).

Notes to the consolidated financial statements

47. Interest in Joint Ventures

The Group's interests, as a venture, in jointly controlled entities as at March 31, 2012 are:

Name of the Company	Country of Incorporation	% voting power held as at March 31, 2012	% voting power held as at March 31, 2011
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%
Calsonic Kansei Motherson Auto Products Limited	India	49%	49%
Ningbo SMR Huaxiang Automotive Mirrors Co. Limited	China	50%	50%
Celulosa Fabril S.A.	Spain	50%	50%
Modulos Rivera Alta S.L.U.	Spain	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 ₹ Million)

	March 31, 2012	March 31, 2011
Assets		
Non Current Assets		
Fixed Assets		
Tangible Assets	979	593
Intangible Assets	93	53
Capital work in progress	10	3
Intangible assets under development	1	–
Non Current investments	124	–
Deferred tax assets(net)	54	–
Long Term loans and advances	245	80
Other Non-current assets	–	–
Current Assets		
Current investments	–	–
Inventories	1,087	693
Trade Receivables	1,137	688
Cash & Bank Balances	561	328
Short Term loans and advances	800	588
Other current Assets	42	1
Liabilities		
Non Current Liabilities		
Long Term Borrowings	116	24
Deferred tax liabilities(net)	10	(8)
Other long term liabilities	7	–
Long Term provisions	15	8
Current Liabilities		
Short Term Borrowings	525	222
Trade Payables	1,257	651
Other Current liabilities	407	225
Short Term Provisions	682	556
Reserves & Surplus	1,455	783

Notes to the consolidated financial statements

(Figures in ₹ Million)

	March 31, 2012	March 31, 2011
Revenue		
Revenue from Operations(net)	47,089	4,995
Other Income	(433)	50
Expenditure	44,089	4,544
Profit before Tax	2,567	501
Provision for Tax	1,271	114
Profit after Tax	1,296	387
Contingent Liabilities		
- In respect of Excise, Sales tax & Service tax matters	13	9
- Bank Guarantees		
Capital Commitment	6	5

48. 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.

49. The financial statements for the year ended March 31, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to current year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

For Price Waterhouse

Firm Registration Number: FRN 012754N

Chartered Accountants

ANUPAM DHAWAN

Partner

M.No.: F084451

Place: Noida

Date : May 28, 2012

For and on behalf of the Board

V.C. SEHGAL
Vice ChairmanHIDEAKI UESHIMA
DirectorPANKAJ MITAL
Chief Operating OfficerG.N. GAUBA
Co. Secretary & V.P. Finance



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