



Motherson Sumi
Systems Limited

20 30



Years of Listing

Years of Relationship

A Relationship Built on Trust

The year 2012-13 is a special year in the history of Motherson Sumi Systems Limited. MSSL achieves two landmarks on completion of this year.

20 Years of Listing

(1993-2013)

MSSL was listed on stock exchange in 1993. During this journey of 20 years MSSL has consistently performed well to create more value for its investors.

Investment of ₹2,500 (100 shares in the IPO) is worth ₹1,466,732 on Mar 31, 2013



Thank you all stakeholders for your continued support throughout this transformational journey

30

Years of Relationship

Motherson completes 30 years of relationship with Sumitomo Wiring Systems Ltd., Japan

A journey studded with milestones that saw this relationship grow from strength to strength, growing, expanding and reaching new heights. In this journey MSSL has grown its relationship with its partners by establishing new JVs, adding new products and building bonds with customers globally.



Contents

Corporate Information	5	20 Years of Listing	31
Vision Mission & Values	6	• 20 years performance at a glance	32
Market Position	7	• Creating value for investors	34
Motherson Sumi Systems Limited	8	• Increasing Content per Car	36
Samvardhana Motherson Group	10	• Continuous Growth	37
Samvardhana Motherson International Limited	11	• Creating a Global Organization	38
Samvardhana Motherson Reflectec	14	From the Desk of the Chairman	40
Samvardhana Motherson Peguform	19	Financial Highlights	44
30 Years of Relationship	24	Awards & Recognitions	46
• Sumitomo Wiring Systems, Ltd.	25	Management Discussion and Analysis	49
• Building Bonds with Collaborators	26	Directors' Report	67
• A Trusted Partner to Customers	27	Report on Corporate Governance	72
• Creating a Global Family	28	Auditor's Report	79
• Contributing to the Society	29	Balance Sheet	82
• Relationship with Investors	30	Profit and Loss Account	83
		Cash Flow Statement	84
		Notes	86
		Consolidated Financial Statements	138

Disclaimer

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Corporate Information

Founder Chairperson

(Late) Smt. S.L. Sehgal

Chairman Emeritus

(Late) Sh. K.L. Sehgal

Board of Directors

Mr. Vivek Chaand Sehgal

Chairman

Maj. Gen. Amarjit Singh (Retd.)

Director

Mr. Sushil Chandra Tripathi, IAS (Retd.)

Director

Mr. Arjun Puri

Director

Mr. Gautam Mukherjee

Director

Mr. Toshimi Shirakawa

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

Vision, Mission & Values

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

Market Position

MSSL's growing network of relationships across a wide customer base in diverse geographies has enabled it to build a leadership position across the entire range of products. MSSL is considered among the largest auto ancillaries in India, as part of one of the most diversified groups in the Indian automotive industry with an ever growing global presence.

Global



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

India



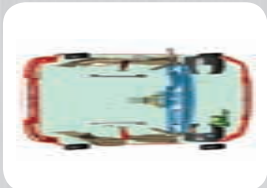
Largest manufacturer of automotive wiring harnesses in India, with more than 65%* market share in passenger car segment, serving the entire automotive industry



Largest manufacturer of rear view mirrors for passenger cars and MUVs in India, with nearly 48%* share in the segment



One of the largest manufacturers and suppliers of plastic components to automotive industry



One of the most diversified groups in the Indian automotive industry

* as assessed by the Company

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

A collaboration with Tokai Electric Co. (now SWS) led to the incorporation of MSSL in 1986 primarily as a wiring harness manufacturer in India. MSSL has grown into a diversified manufacturer of automotive components with market leading position in its major product verticals. Today, MSSL is one of the largest manufacturers of rearview mirrors for passenger cars in the world as well as India's largest manufacturer of automotive wiring harnesses and mirrors for passenger cars. It is also one of the largest manufacturers of IP modules, door trims and bumpers for mainly European OEMs and a leading supplier of plastic components and modules to the global automotive industry.

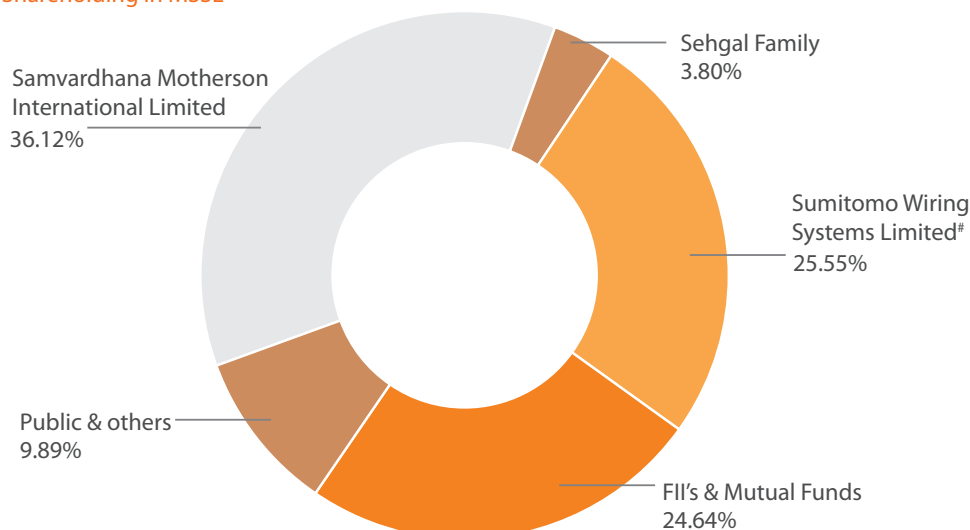
The company has evolved to its present stature on the strength of the relationships it has with all its stakeholders since inception. The relationship of mutual trust, respect and the ability to cater to emerging needs of its customers have been the core strengths of MSSL and have supported its growth year after year. MSSL's proficiency in delighting

its customers comes essentially from a broad spectrum of products which include rearview mirrors, wiring harnesses, moulded plastic parts, complete modules including bumpers, dashboards, door trims, air - lter systems, HVAC systems, rubber components for automotive and industrial applications, high-precision machined metal parts and injection moulding tools.

The company's ability to be a one-stop solution for its customers is further strengthened by its manufacturing presence across Asia, Europe, North America, South America, Australia and Africa. The geographic spread of its manufacturing bases, design centres, logistics centers, marketing support and sourcing hubs allows MSSL the flexibility to supply to its customers from various manufacturing locations using the best suited logistics model.

MSSL's relationship with all its joint venture partners has strengthened over the years and today the company has evolved into a joint venture specialist. MSSL's strength in partnering growth, which began with its SWS alliance, has evolved with a number of joint ventures for a varied product range.

Shareholding in MSSL*



* as on 31st March 2013

[#] including HKWS (a subsidiary of SWS)

The other joint ventures of MSSL help enhance its capabilities ranging from adding new products to bringing new and customized technologies to customers. MSSL's valued relationships with its joint venture partners have witnessed significant investments in state-of-the-art technologies and infrastructure over the years. These strategic alliances have also helped it develop vertical integration and reduce third party reliance in critical input factors for major product ranges including wiring harnesses, moulding and tooling.

Today, MSSL has emerged as one of the world's leading manufacturers of automotive rear view mirrors with the acquisition of Visiocorp in 2009 (its JV partner for mirrors since 1996 in India) and the formation of Samvardhana Motherson Reflectec (SMR). The acquisition also gave MSSL access to a larger set of customers with whom it is keen to forge strong and lasting relationships.

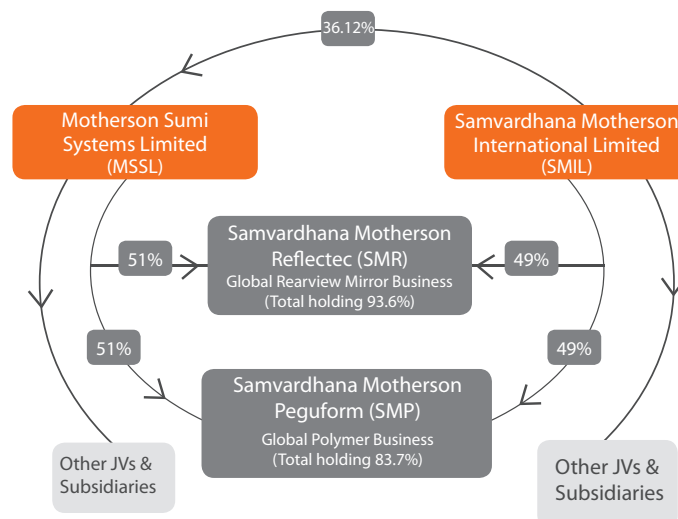
MSSL identified immense synergies between product lines such as plastic injection moulding, door panels, instrument panels and bumpers, and acquired Peguform in November 2011 to form Samvardhana Motherson Peguform (SMP). Today, SMP is among the largest manufacturers of IP modules, door trims and bumpers in Europe.

MSSL takes its relationships with customers to the next level by getting involved at every stage, including ideation, conception, and client needs-analysis as well as product designing. Coupled with its strong technological infrastructure, the company's ability to offer full system solutions to its customers cuts across geographic boundaries to give it a strong competitive edge and make it the supplier of choice.

The company provides integrated full system solutions to its customers in all its product categories. The depth of backward integration coupled with its diversified product portfolio, provides MSSL with significant quality control and cost control advantages, lesser reliance on third party sources and shorter delivery and development lead times. This enables MSSL to increase the supply of content per vehicle, become an integrated full system solutions provider for its major customers, strengthen relationships with them and ensure a continued and growing demand for its products and services.

In 1993, MSSL was listed on the stock exchange. Over the last 20 years, MSSL has successfully added value and created wealth for its shareholders, with endeavour to give good returns against the investments and valuing the trust they placed in it

MSSL Shareholding in Major Subsidiaries*



*Shareholding held directly/indirectly – not a legal structure

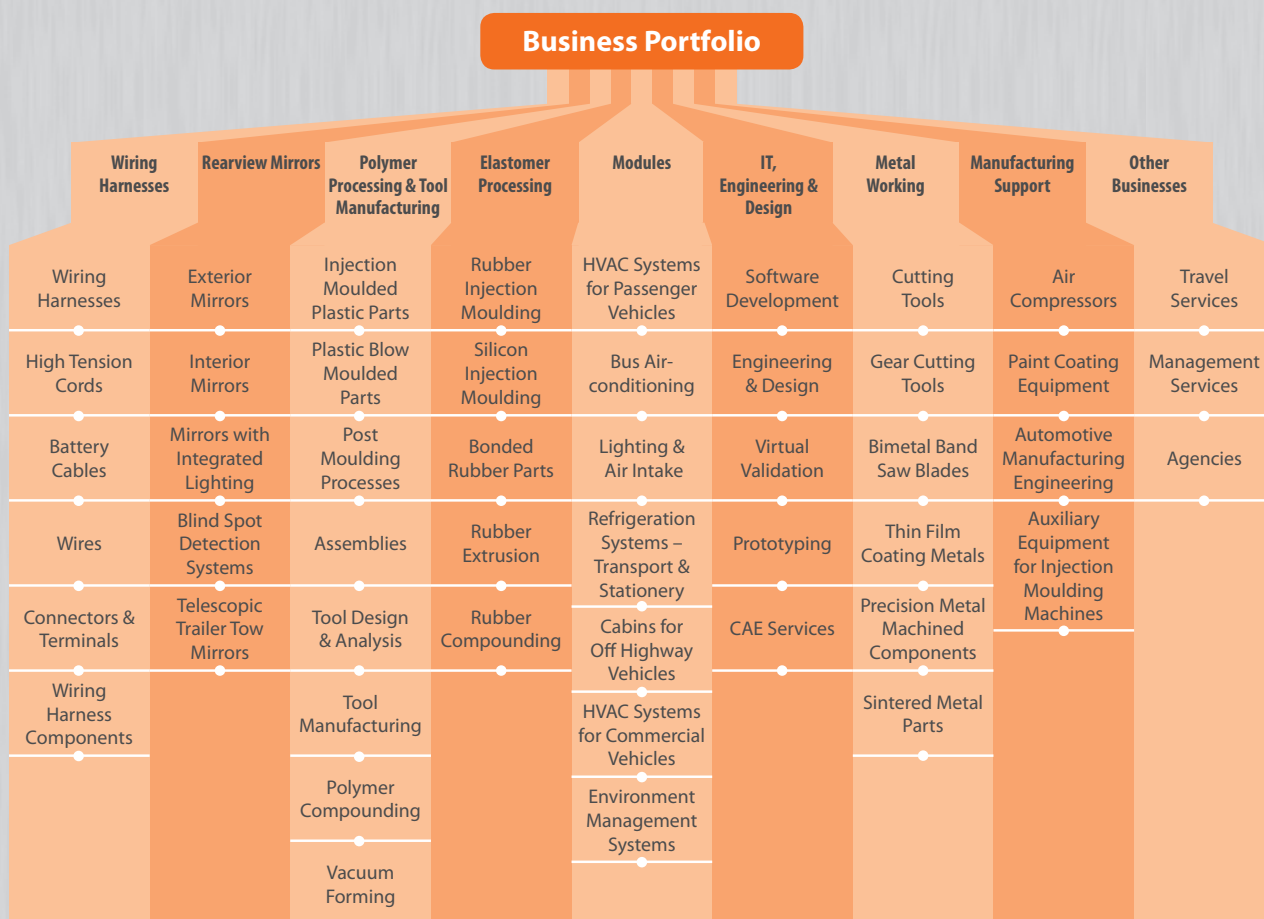


Motherson Sumi Systems Limited is the 3agship company of Samvardhana Motherson Group (SMG).

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 5.40 Bn in 2012-13, the Group is supplying to all the major automobile manufacturers across the world.

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

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



Samvardhana Motherson International Limited (SMIL) is the principal holding company of Samvardhana Motherson Group. The Company undertakes the provision of design and manufacturing solutions, mainly to the automotive industry, through subsidiaries and joint ventures with partners in the relevant fields. It acts as the central company that binds and manages the different ventures of the Group.

SMIL has investments in the Group companies including in the flagship company of the Group, Motherson Sumi Systems Limited (MSSL). SMIL provides central support, strategy and management direction to all the other Group companies.

SMIL's growth is a combination of organic growth and acquisitions. The company has multinational business with manufacturing and design capabilities to cater to customer requirements. SMIL's diversified product portfolio encompasses the entire range of the Samvardhana Motherson Group products.

The business portfolio includes: wiring harnesses, rearview mirrors, moulded plastic parts, injection moulding tools, assemblies and modules, vacuum formed products, elastomer products, cutting tools, thin film coating metals, sintered metal parts, 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.

SMIL has its operations spread across the globe with over 140 manufacturing facilities and 34 engineering and design centers with a presence in 25 countries across the world and expanding globally continuously. SMIL has customers spread across multiple geographies.

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.

SMIL'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. SMIL has successfully forged partnerships with global technological leaders and has 24 JV partners.

The Company holds 36.12% of the equity share capital of Motherson Sumi Systems Limited (MSSL). As an enabler SMIL has supported MSSL to acquire in collaborative effort Visiocorp (now Samvardhana Motherson Reflectec) and Peguform (now Samvardhana Motherson Peguform).



SMIL Business Portfolio

Through MSSL and its JVs/Subsidiaries



Wiring Harnesses



Wiring Harness Components



Rear view Mirrors



Polymer Processing



Tooling



Elastomer Processing



Car HVAC Systems



Vehicle Electronics



Metal Machining



IP/Dashboard Modules



Bumpers



Door Trims

SMIL Business Portfolio

Through JVs of SMIL



Lighting Systems



Air Intake Manifolds



PBA Modules



HVAC for Commercial Vehicles



Bus AC



Refrigeration Systems



Cutting Tools



Gear Cutting Tools



Thin Film Coating



Cabins for O&H Highway Vehicles



IT, Engineering and Design



Automotive Manufacturing Engineering



Auxiliary Equipment for Injection Moulding Machines



Air Compressors



Paint Coating Equipment



Samvardhana Motherson Reflectec

“Our customers have reposed trust in us by placing new orders of Euro 1.33 Bn in 2012-13. SMR is in a growing phase and we continue to expand capacities to support our customers globally”

LAKSH VAAMAN SEHGAL



Samvardhana Motherson Reflectec (SMR), a leading global tier 1 supplier of automotive rearview mirrors to the automotive industry, has provided MSSL with a strong base for partnerships with global customers. SMR develops and produces exterior mirrors for passenger cars, commercial vehicles and heavy trucks and is an expert for camera-based sensing system in the automotive industry. SMR's global customer base includes all major car makers in 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 to high volume passenger cars, sports cars, luxury cars, pick-up trucks and commercial vehicles.

With a global market share of 22% in passenger cars and commercial vehicle segments, exterior mirrors are the Company's largest product segment.

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.

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

During the last few years ever since it became a part of the Samvardhana Motherson Group in 2009, SMR has been completely and seamlessly integrated with SMG-another sign of the Group's relationship focus. The inherent synergies are now showing results with increased in sourcing from within the Group. 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 large car manufacturers globally.

Building capacities across the world

SMR has been expanding world-wide to meet the continuously growing requirements of its global customers, with whom it has built carefully-nurtured relationships. This expansion includes setting-up new plants as well as adding capacity and new capabilities to its existing facilities.

After expanding footprint in 2011 and 2012 in the growing markets of Thailand and Brazil, these modern fully-equipped green-field plants have started production in the last) scal year. In parallel, SMR expanded production capacities in Hungary, Spain and Mexico significantly. SMR gave highest output of exterior mirrors in the history of the Company, with approximately 40 Mn produced units in the past) scal year.

SMR is now working towards the launch of its) rst programme for mirror components in South Africa, in a MSSSL plant in 2013.

During the) scal year 2013-14 SMR plans to start exporting mirrors from its operations in Korea. SMR had entered the Japanese market with exports from China in 2011 and from Thailand in the past) scal year. The entry into the Japanese market, the third largest automotive industry, is an important step in the strategic goal of increasing international market share.

Adding capacities and expanding globally

The next significant expansion activities for SMR are focused on the two largest and strongest growing markets of the automotive industry, China and USA. In early 2013, SMR started preparations to double the production and painting capacities of its operations in Michigan, USA. As a) rst step, the company has initiated the establishment of a new logistic center close to SMR's operations.



Product Range

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

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





SMR USA has received new orders which are expected to increase utilization of additional capacities in Michigan and lift market shares in North America significantly within the next 3-4 years.

SMR has also started with the construction of a new plant in Chongqing, Central China, which is scheduled to start operations in 2014.

Two modern plants in Langfang (Beijing) and Yancheng are almost complete. They will replace existing smaller assembly plants and will start operations in 2013, providing significantly increased capacities as well as higher vertical integration through the installation of moulding machines and an automatic painting facility in Langfang. With 16 new orders for all Chinese plants in the past fiscal year, SMR expects to increase market share in China significantly within the next 3-4 years.

Becoming preferred partner for leading automakers

SMR is among the leading suppliers of exterior mirrors in regions where it has a long presence. The Company is targeting to reach similar high market share levels in those markets in which it has entered within the last decade.

Being able to support customers with high-quality and high-volume products now also from Brazil, Thailand, South Africa, Central China and Japan, SMR is strongly positioning itself as a preferred partner for all automakers world-wide.

With its broadened positioning in both mature and emerging markets, SMR has a more balanced global presence. This makes the Company more independent from the economic development in individual markets and more attractive for vehicle makers that demand for global partners with excellent market skills in all automotive industry regions. And it has enabled the Company to outperform the market.

Driving growth through technological innovation

SMR has regularly launched new functions and technologies in exterior mirrors for the innovation driven luxury car segments. With its technological thrust, it has also established a leading position in many cost-sensitive and emerging markets.

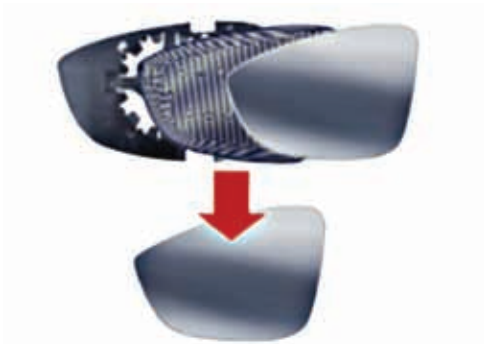
As a technology leader, SMR has introduced numerous new features around the globe. With a continued focus on new technology, SMR aims to provide its customers with

significant advantages by offering differentiated and highly value-added products. This in turn ensures the competitive advantage and value addition for SMR.

SMR has started production of plastic reflectors as substitution to glass reflectors in an all new clean room facility in Australia in 2012. This new facility is equipped with state-of the art injection moulding, metallization and robot aided dip-coating machines and also capable of producing innovative decorative automotive surfaces as well as high-quality products for applications in other industries as well.

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 for shapes and surface curvatures.
- SMR has received the SAE Australasia award for this new technology in 2011.



Decorative Surfaces

- SMR's expertise in high precision moulding, metallization and anti-scratch surface coating are optimal capabilities for the development and production of innovative decorative surfaces and panels.
- SMR is offering numerous innovative solutions for automotive applications as well as for other industries.



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. By detecting the vehicle's surrounding and providing intelligently processed information to other vehicle integrated systems and the driver, Driver Assistant Systems provides significant comfort and safety advantages.

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. SMR's camera based intelligent blind spot detection system, which is installed in exterior mirrors of Volvo vehicles, is the only of its kind in the world. SMR's new generation camera system is designed to be applicable for multiple Driver Assistant Systems and manoeuvring display features.



SMR Expansion

- China – new facility in Yancheng for capacity expansion to support existing customers. Will start production in 2013
- China – new facility in Langfang, Beijing, enables SMR to expand capacities and customer portfolio in the region significantly
- China – new plant in Chongqing under construction (JV with NBHX); first presence in Central China starting operation in 2014
- Spain – new automatic painting started operation in 2012
- India – assembly plant in Pune started operation in 2012
- India – new technology center in Bengaluru started development of software for Driver Assistant Systems and other supporting services in 2012
- Mexico – glass reflector production line in operation since 2012; increase of vertical integration in North America
- USA – significant plant expansion and second automatic paint facility in Marysville in preparation



- Manufacturing locations
- Recent or current operational footprint improvements
- Engineering and project management centres

Map not to scale



SMR Plant - II, Hungary



SMR Thailand



Samvardhana Motherson Peguform



Samvardhana Motherson Peguform (SMP) is MSSL's largest subsidiary. It was created through the acquisition of former Peguform Group jointly by MSSL and SMIL in 2011.

SMP is an established global tier 1 manufacturer of polymer-based automotive global modules specialising in high quality interior and exterior products for the automotive industry. The company is a full systems solutions provider of plastic parts right from design and concept development, product development to simulation, testing to fully integrated mass production of 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 lines, it is one of the most preferred suppliers for car makers in Europe as well as to their facilities in China, Brazil and Mexico.

SMP makes highly advanced and aesthetic components catering to cars across all segments ranging from the mass segments to premium and luxury segments. The company is headquartered in Germany, with a global presence.

SMP's major customers are Audi, BMW, Daimler, GM, Porsche, Renault/Nissan, Seat, Volkswagen, etc.

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.

With focus on the development of highly attractive and multifunctional interiors, SMP is an international partner for high quality instrument panels and interior door panels. A broad portfolio of patents and unique technologies enable the economic production of high quality components at SMP. For example, SMP makes soft plastic surfaces with nearly identical appearance and touch of real leather. With the unique "PeguTrim®" process, SMP can even produce plastic parts with three different surfaces like fabric and decorative foils in a single step.

Product Range

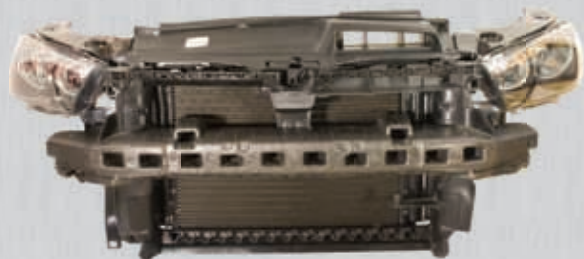
Bumper Modules

- SMP is a market leader for bumper covers in Germany and Spain
- One of the largest business segments of SMP
- Integrates numerous value added features in the bumper cover, such as fog lamps, air ducts, chrome trims, grills, emblems, gaskets and fixing systems
- Requires top-level surfaces and dimensional accuracy
- SMP holds multiple patents for innovative bumper solutions



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



Interior Modules

- The broad portfolio for interior components and modules includes
 - Dashboards
 - Fully assembled cockpits
 - Centre consoles
 - Door panels
 - Covers and decorative trims



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 polymer wherever possible.
- After several years of research, SMP has received a high volume order for the production of innovative natural fibre reinforced interior components in early 2013.



Geographic expansion

SMP was established in Germany where most of its products are still produced and assembled. SMP 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 leading market position with its interior and exterior products.

As its customers expanded to Eastern Europe, SMP established a strong footprint in Slovakia in the region of Bratislava in 2009 to cater to their needs. The factory for the production of interior door panels in Galanta is currently installing foaming, gluing, laminating, welding and JIS assembling capabilities which will enable the company to also produce instrument panels in the near future.

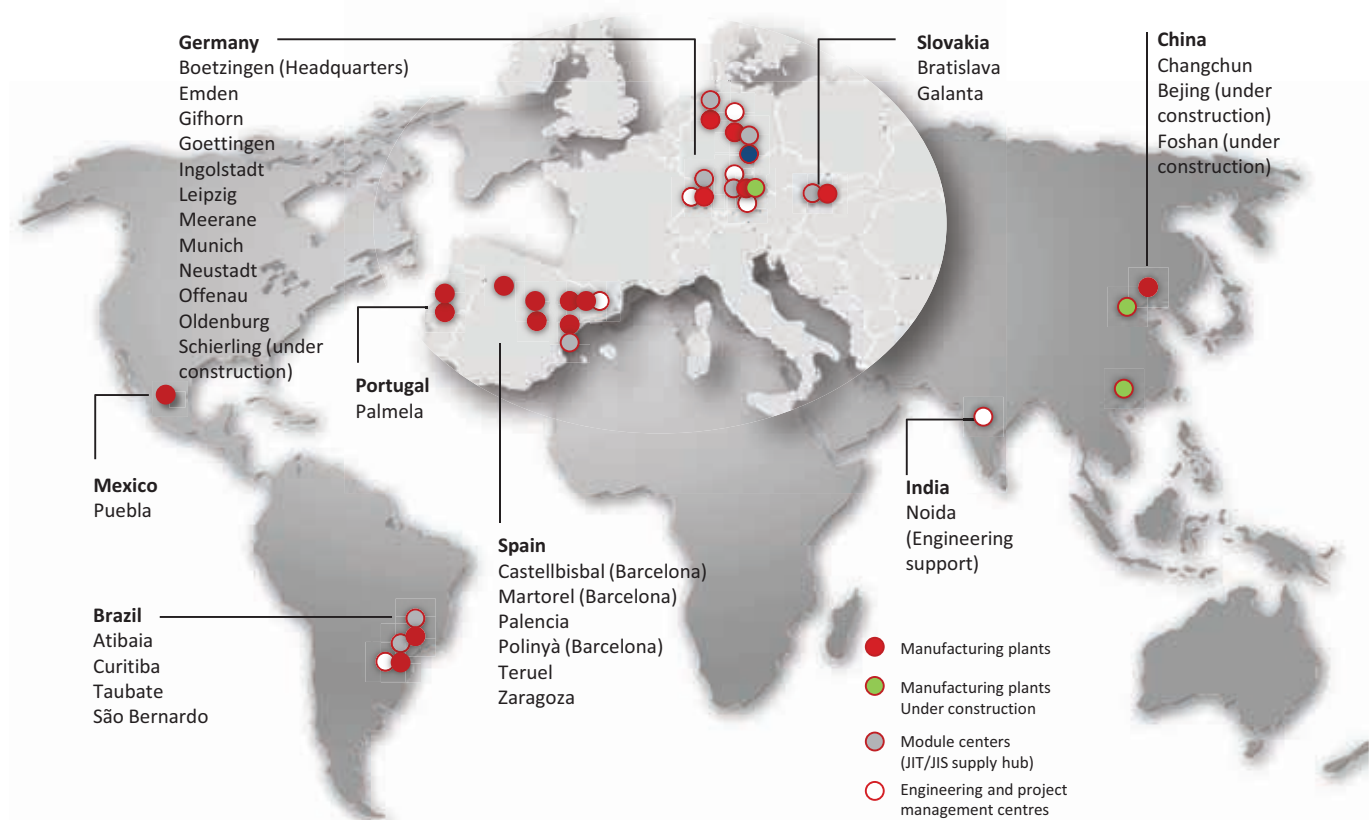
SMP, with an objective to be located near its customers, established its first high volume factories in Mexico and Brazil in 1996. Since then the demand for SMP's products has increased significantly. In 2012 SMP doubled its capacity

for automated painting of large polymer parts in its Atibaia plant in Brazil.

In early 2013 SMP opened a greenfield factory in Puebla, Mexico, which replaced the two existing smaller plants in the region. This is a more efficient and modern factory which will help SMP double its production capacity for the interior and exterior systems for the automotive industry in Mexico.

China is the strongest growing region in the automotive industry and the youngest market for SMP. Through the joint venture with the Chinese automotive supplier CAIP, established in 2008, SMP has been producing and supplying painted bumper covers and interior door panels to customers in North China.

Due to the strong increase in demands for high quality products from SMP across China, the company is currently investing in the establishment of two new factories in Foshan (South China) and Beijing. These new plants are scheduled to start production of interior systems for premium car makers in 2014.

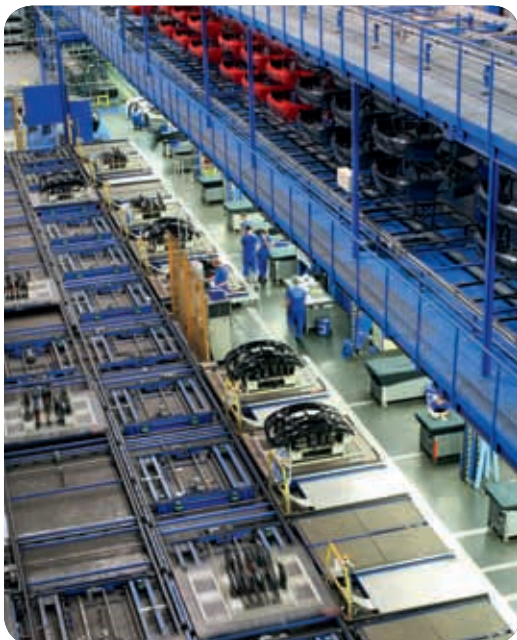


Synergies with Group

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

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

MSSL is making use of operational synergies through horizontal and vertical integration of SMP's operations and products. For example, SMP has started to source raw materials, inputs such as wiring harnesses, smaller plastic parts, IT-services, engineering services and tooling etc. from MSSL's divisions. The objective is to expand the Group's business based on the combined customer base and geographic footprint significantly and to benefit from best skilled and most cost competitive production and development resources within the group.



30

Years of Relationship

Motherson's relationship with Sumitomo Wiring Systems has completed 30 years.

Over these years MSSL has collaborated with multiple partners for different products, technologies and customer requirements.

These JVs bring new technologies and new products that enhance MSSL's position as a full system solutions provider.

The customers have been instrumental in creation of new JVs as most of the JVs have been formed at their behest.

MSSL's JVs are based on the basic philosophy of "Relationship Built on Trust". It is this philosophy of mutual trust and understanding that has build long lasting relationships which have grown stronger with the passage of time.

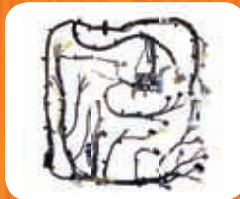
MSSL's 30 years Journey of Relationships

1983



Technical agreement for manufacturing wiring harnesses

1986



Motherson Sumi Systems Limited (MSSL) established - JV with Sumitomo Wiring Systems Ltd.

1989



1st facility for small Injection Moulded Components established at Noida, India

1993



Tool Room for Connectors & Small to Medium Size Components, JV with SWS

Sumitomo Wiring Systems, Ltd.

Our Principal Partner

Motherson's relationship with SWS began in 1983 with a technical agreement which was further strengthened with the formation of Motherson Sumi Systems Limited (MSSL) as a joint venture in 1986. MSSL was setup to manufacture wiring harnesses and wiring harness components.

Sumitomo Wiring Systems (SWS) is a 100% subsidiary of Sumitomo Electric Industries (Japan). SWS is one of the global technology leaders in manufacturing of wire harnesses as well as components and wires. It has the second-highest market share of wire harnesses worldwide.

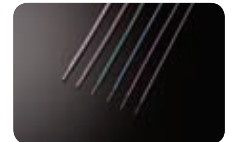
Being one of the global leaders in wiring harnesses and having a strong research orientation, SWS has regularly introduced new components and technologies into the market. As a part of Sumitomo Electric Industries, it has a strong technology base and capability to bring innovations in vehicle electronics and electrical.

Over the last 30 years the relationship with SWS has been nurtured to exceptional strength. Today, Motherson is present across various levels of the automotive component value chain, providing products and services ranging from product design and prototyping to tool manufacturing and production of integrated modules.

MSSL's association with SWS has ensured a high degree of vertical 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, tooling, engineering & design and software development.

Vertical Integration for wiring harness makes MSSL an integrated full systems solutions provider for the product. MSSL is a full service supplier to its wiring harnesses customers and is vertically backward integrated in terms of critical wiring harness components, including wires, connectors, terminals and fuse boxes.

SWS has also 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 overall product quality at competitive costs to deliver lasting value to customers over the years.



1995



Injection Moulding facilities for small to medium size components

1995



AVSS Wire technology - MSSL Wire Division Established

2013



CIVUS Wire Manufacturing started

2013



Junction Box Manufacturing started

Building Bonds with Collaborators

Motherson's relationship with Sumitomo Wiring Systems started as a collaboration for wiring harnesses and was extended to cover wires, wiring harness components, injection moulding processes and high precision injection moulding tools. This collaboration has been instrumental in establishing MSSL as the leading automotive wiring harnesses manufacturer in India. Through MSSL, this collaboration has entered many product and business areas.

MSSL has multiple JV partners and multiple JVs with the same partner. This emphasizes the importance of mutual understanding and trust which forms the foundation of these relationships.

MSSL has collaborated with multiple partners for different products, technologies and customer requirements. MSSL considers its collaborators as great teachers since they bring with them specialised knowledge, new products, methodologies and also help to maintain its competitive edge with latest technologies.





Over the years, MSSL has evolved as a JV specialist, having collaborations with global technology leaders to bring world-class technologies to serve its customers. The company's

multiple JVs help in keeping it updated with the latest technological developments by providing ready access to various market leading technologies.

This has further helped the Company leverage its competencies in existing areas to create products which fulfill the emerging technical needs of its customers. MSSL and its joint ventures have invested in state-of-the-art technologies and infrastructure to ensure superior efficiencies and total customer satisfaction.

MSSL believes in the power of collaboration. It believes in the unique capabilities of its partners to compliment and supplement each other.

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

			
1997	1998	2001	2004
COLLABORATOR			
Kyungshin Corporation, South Korea	Woco Industrietechnik GmbH, Germany	Woco Industrietechnik GmbH, Germany	Woco Industrietechnik GmbH, Germany
COMPANY			
Kyungshin Industrial Motherson Limited	WOCO Motherson Elastomer Limited	WOCO Motherson Limited (FZC)	WOCO Motherson Advanced Rubber Technologies Limited
PRODUCT RANGE			
Wiring harnesses	Injection moulded rubber parts	Injection moulded liquid silicon rubber parts	Injection moulded rubber parts

A Trusted Partner to Customers

The relationship of MSSL with its customers has been the driving force behind the growth of the company. This year also marks 30 years of association with some of its major customers. With a vision of becoming a preferred solutions provider MSSL has always worked on the principles of QCDDMSES (Quality, Cost, Delivery, Development, Management, Safety, Environment and Sustainability). It has been MSSL's endeavour to constantly add new products to its product line, with the objective of emerging as a single-service interface for multiple customer needs.

MSSL is a customer-driven company, providing innovative and value added products, services and solutions to its customers. MSSL has always been open to exploring new products, technologies and partnerships to service its customers' changing requirements.

The trust and confidence of customers has not only facilitated organic growth through new orders but has also promoted growth and expansion by giving opportunities to develop new products. Thus, MSSL's content per car has grown continuously enabling it to grow faster than the market.

Most of the joint ventures of MSSL have been prompted and suggested by customers. All major acquisitions by the Company have also been done at the behest of its customers.

Today, MSSL supplies to the major global car manufacturers. This is a result of the trust it has earned from its customers and the opportunities to serve them globally. This trust and confidence of customers has played a pivotal role in the growth of MSSL and shall continue to be the backbone of its growth.

			
2005	2005	2008	2011
Calsonic Kansei Corp., Japan	ECompost Pty Ltd., Australia	DREMOTEC GmbH & Co. KG (ORCA), Germany	Vacuform 2000 (Pty) Limited, South Africa
Calsonic Kansei Motherson Auto Products Limited	Global Environment Management (FZC)	Motherson ORCA Precision Technology GmbH	Vacuform 2000 (Pty) Limited, South Africa
Car air conditioners (HVAC Systems), vehicle electronics	Waste recycling system	Precision machined metal parts	Vacuum formed components

Creating a Global Family

MSSL is not just about products, processes and technology; it's about people. The greatest asset of MSSL is its employees. Their involvement, sense of ownership, belongingness, passion to improve and excel every day are one of MSSL's core differentiators.

There are many employees who have covered the journey of these 30 years with the company. As a global organization MSSL has employees from 6 continents covering over 25 countries, who speak different languages but form one cohesive MSSL family.



Contributing to the Society

As a corporate citizen, MSSL has always been sensitive to the society and has been silently making its contribution to the betterment of the society right through direct involvement as well as sensitization of its employees towards social causes.

MSSL has continuously supported causes for upliftment of the underprivileged, clothing as a right, education for the girl child and disaster relief operations among other causes.

MSSL has also taken initiatives in improving the life of people with the products it manufactures.

Aerobin is a unique waste recycling system that converts household and garden organic waste into compost without use of chemicals

or electricity through its unique aeration design. This product is being adopted by communities in many countries as it has visible benefits in reducing the amount of waste going to landfills and at the same time making useful compost out of it.

The company also works for improvement of life in general. RE-TIMER - an innovative device was engineered and is manufactured by SMR Australia's non-automotive division 'SMR Technologies' in a new clean-room precinct. The device, worn like a pair of glasses, mimics the benefits of sunlight by emitting a soft green light onto the eyes at a level scientifically proven to 're-time' the body clock to help people control their sleep and wake times. This patented technology has been developed through 25 years of university research by leading sleep psychologists.

Child Education



Blood Donation



Aerobin



Re-Timer

Relationship with Investors



MSSL was listed in 1993. Since then MSSL has received continued support from investors.

MSSL has worked with a philosophy of all round value creating growth for all. With a clear focus on value creation, MSSL has continuously enhanced its performance year after year.

MSSL has consistently given healthy dividends and created more value for shareholders by means of bonus issues and split of shares.

The company has grown its turnover, geographical reach, customer base, product range and technology base to create a robust organisation that can continuously deliver superior performance to its shareholders.

It is the trust the investors place in the Company together with its consistent performance of delivering value to them on year on year basis that has resulted in a long lasting relationship with them.

20

Years of Listing

MSSL is focused on long term value-creating growth for all its stakeholders.

The Company has grown both organically and inorganically to create more value for its stakeholders. With the acquisition of Visiocorp and Peguform, supported by organic growth, MSSL has doubled its turnover twice since 2008-09.

MSSL is now a truly global organization well positioned to utilize the global opportunities for growth.

The CAGR of sales for the past 20 years is 43.16% and that over the last 5 years is 65.56%. MSSL has maintained its growth in India as well as outside the country.

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

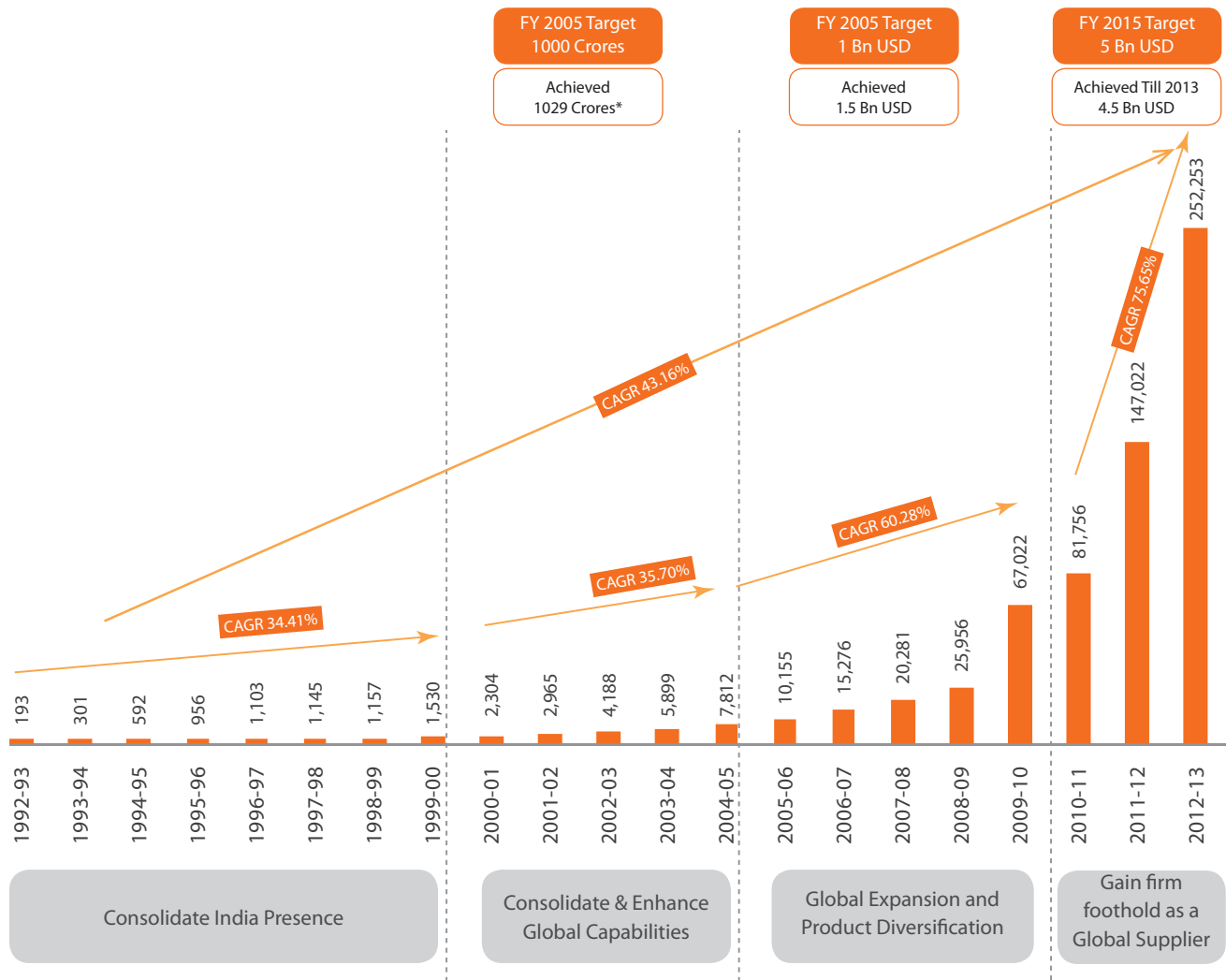
An investor who invested ₹2,500 in MSSL in 1993 would have a value of ₹14.67 lacs as on 31st March, 2013 which is approximately 587 times of the original investment value.

It is the continuous endeavour of MSSL to deliver more value to its investors.

20 Years' Performance at a Glance

Motherson Sumi Systems Limited has delivered consistent growth with a CAGR of 43.16% over the past 20 years. Since year 2000 MSSL has declared more aggressive 5 year targets than the previous one and has strived successfully to achieve the same.

Rs. in million

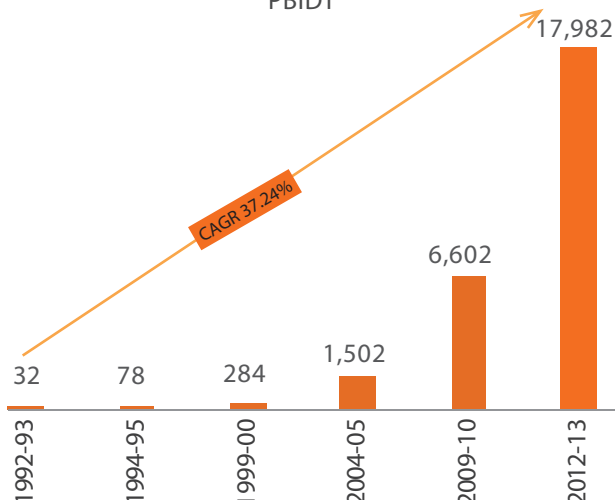


* Taking full turnover of JVs

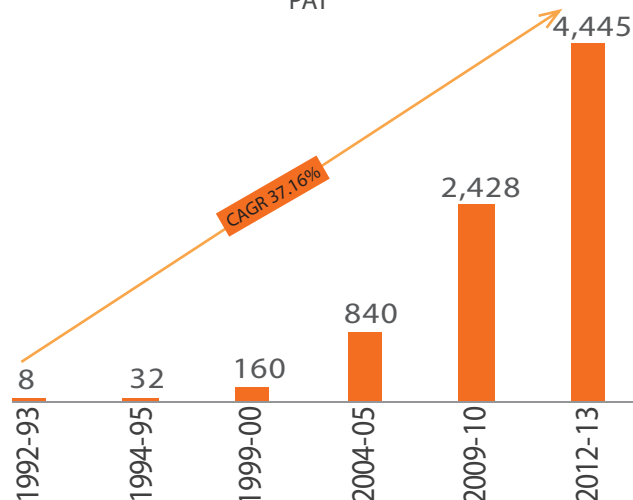
The company has adapted very fast to the changing environment and strategically developed a global footprint to service its global customers. MSSL has grown faster than the market by consistently increasing its customer base and the content per car. Along with sales growth MSSL keeps a clear focus on the overall financial performance of the company.

Rs. in million

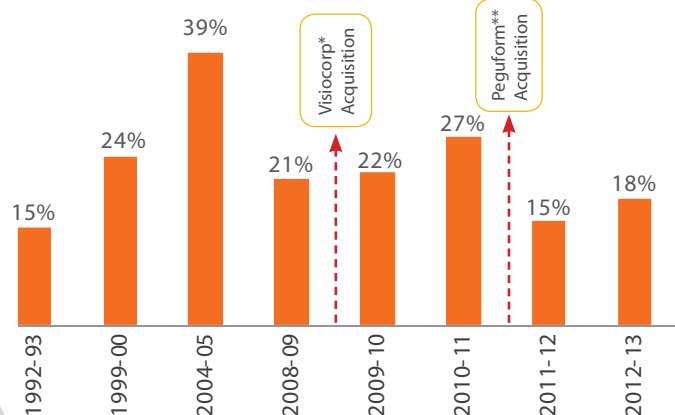
PBIDT



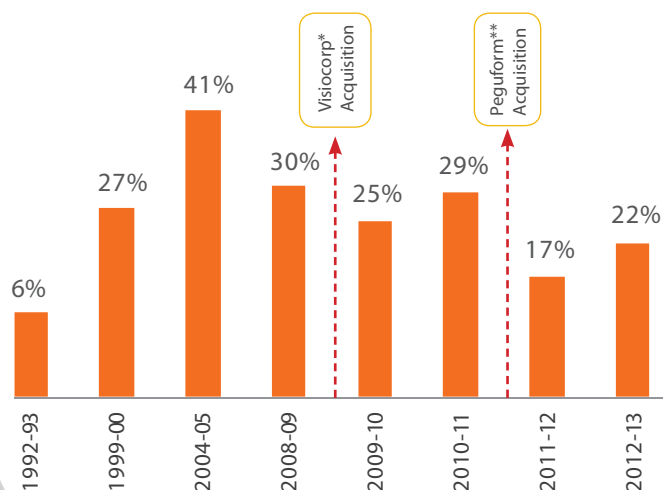
PAT



ROCE



RONW



*** Visiocrp Acquisition :**

On 6th March 2009 , Samvardhana Motherson Reflectec (SMR) acquired global rear view business from Visiocrp plc (in administration). SMR has consistently reported good results and has been EPS accretive since inception for MSSL shareholders.

**** Peguform Acquisition :**

On 23rd November 2011 , Samvardhana Motherson Peguform (SMP) acquired Peguform engaged into Module Assemblies such as cockpit assemblies, bumper assemblies and door trims, catering mainly to German Car makers across Europe, Brazil, Mexico and China. The Company consolidated results of SMP for full year in 2012-13.

Creating Value for Investors

With consistent performance and strong trust reposed by the stakeholders in the company MSSL has continuously performed better than the market. Starting with an equity base of ₹58 Mn in 1993-94 the market capitalization of MSSL as on 31st March 2013 is ₹114 Bn.

Value Creation Since Listing

ORIGINAL LISTING - APRIL 1993

MSSL Turnover
at the time of IPO
₹193 Mn

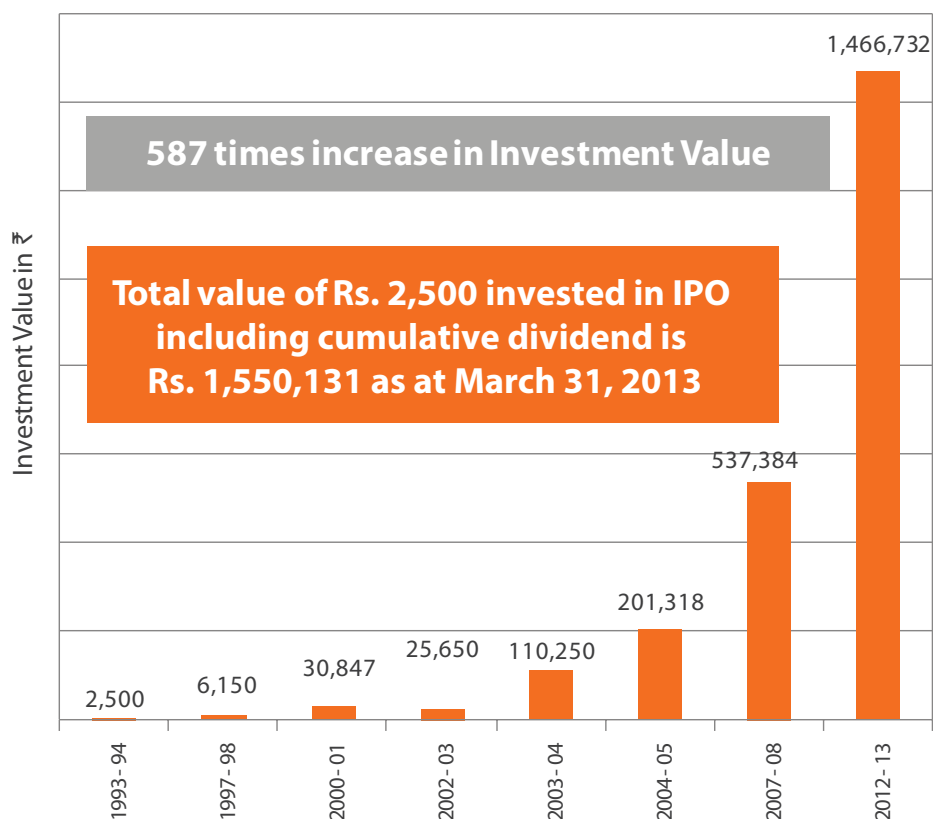
Issue price
₹10 at premium
of ₹15 per share

Face value
₹10/-
per share

Investment
on 100 shares was
₹2,500/-

Total Capital Raised
from public
₹29 Mn

	1993-94	1997-98	2000-01	2002-03	2003-04	2004-05	2007-08	2012-13
	IPO	Bonus Issue	Bonus Issue	Split to Par value of ₹5 per Share	Split to Par value of ₹1 per Share	Bonus Issue	Bonus Issue	Bonus Issue
Shares Held	100	150	225	450	2,250	3,375	5,062	7,593
Cumulative Dividend		1,040	2,990	5,802	8,052	11,428	27,205	83,399



FRESH CAPITAL ISSUANCE

1993-94	●	Public Issue
1995-96	●	Rights Issue
2005-06	●	Convertible Bonds (FCCB)
2011-12	●	Shares issued to shareholders of erstwhile SMIEL

BONUS ISSUE

1997-98	●	
2000-01	●	
2004-05	●	1:2 Bonus Issues
2007-08	●	
2012-13	●	

SPLIT OF SHARES

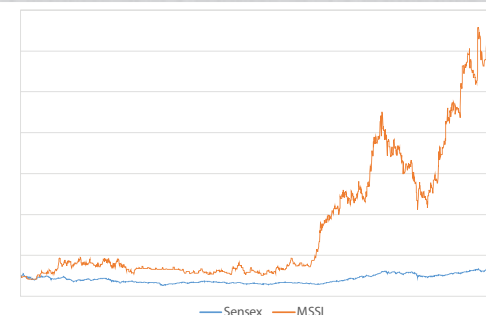
2002-03	●	Face value changed to ₹5 (2:1)
2003-04	●	Face value changed to Re. 1 (5:1)

Exceeding Market Performance

FROM 1998 TILL 2000



FROM 2000 TILL 2005



FROM 2005 TILL 2010



FROM 2010 TILL 2013



Increasing Content per Car

Over the 20 years MSSL has transformed from a domestic wiring harness manufacturer to a diversified global manufacturer of automotive components and a module supplier to the automotive industry. MSSL has continuously increased its content per car by adding new products and technologies at customers' behest. With this, MSSL has evolved as a preferred supplier to automobile manufacturers. It has also enabled MSSL to grow faster than the market even in tough market conditions.



IP/Cockpits



Bumpers & Front End Modules



Door Trims



Injection Moulded Products



Blow Moulded Products



Injection Moulding Tools



Exterior Rear View Mirrors



Interior Rear View Mirrors



Wiring Harnesses



Wires



Wiring Harnesses Components



Moulded Silicone & Rubber Components



Precision Metal Components



Car HVAC Systems



Key less Entry Systems



Body Control Modules



Air Filter Systems

Continuous Growth

ORGANIC GROWTH

MSSL has strong long term relationships with automotive OEMs. Some of them have completed 30 years of association with MSSL and each relationship is getting stronger year on year. While MSSL has retained all its major customers, a sign of the bonds of trust it shares with them, it has also continuously expanded its customer base by supplying to new customers. With the strategy of increasing its content per car MSSL has followed the two pronged approach of supporting the existing customers with new products and also supplying the existing product range to the new customers.

INORGANIC GROWTH

MSSL always looks for strategic acquisitions that offer tactical advantages. The entities that the Company has acquired over the years provide it with access to customers in new geographies, enhance technological capabilities and expand its product range. However, more importantly, they give MSSL the platform to build new relationships and forge new ties, which help it raise its performance levels manifold. In the year 2002 the 2nd acquisition took place and by 2013, many more successful acquisitions have been added to the Company's portfolio.

The most significant of these were the 2009 acquisition of Visiocrp, one of the world's largest manufacturers of automotive rearview mirrors, which elevated MSSL to the position of a global tier-1 supplier as well as the acquisition of Peguform in 2011 that made MSSL one of the largest manufacturer of bumpers, dashboards and door trims in Europe with a global presence.

ACQUISITIONS AT A GLANCE

2002

Asset purchase of Wexford Electronics, Ireland
(Wiring harnesses for material handling and earthmoving equipment - new technology and a global customer base)

2005

Acquired machining business from Reiner Prazision GmbH, Germany (High precision machined metal components - new technology, new product range & new customer in Europe)

Acquired injection molding business of G&SKunststofftechnik GmbH, Germany (Plastic Injection Molding – Molding facility in Germany and a ready customer base)

2006

Asset purchase of ASL Systems, UK (Wiring Harnesses & electric/electronic control panels for buses & special purpose vehicles – Wiring harness manufacturing in UK, new products and new customer base)

Door Trim Business from Huon Corporation, Australia (New technology & a manufacturing base in Australia)

Acquisition of 100% shares of FP Formagrau s.r.o., (Plastic Injection Molding - Manufacturing base in Czech Republic)

2007

Acquired business of Empire Rubber from Huon Corporation, Australia (New technology, new products, new customer base, the largest non tyre orbitread compounding facility in Australia, new customer base in Australia)

2009

Rear View Mirror business from Visiocrp Plc., UK (New technologies, global customer base, presence in 12 countries, own technology, status of an established global tier-1 supplier, doubled turnover)

2011

Acquired Peguform Group, Germany (New technologies, global customer base, own technology, status of an established global tier-1 supplier, doubled turnover)

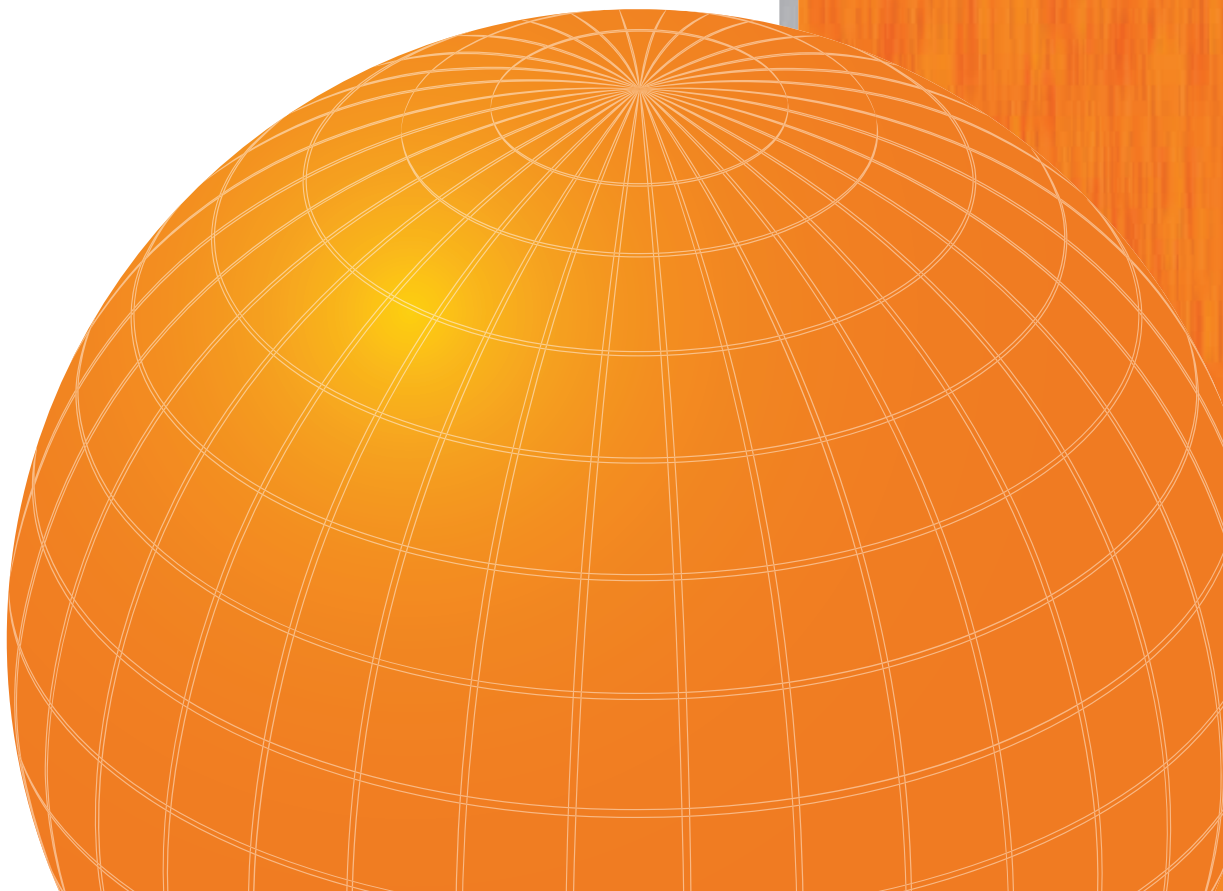
Acquired Vacuform 2000 (Pty) Limited, South Africa (thermo formed polyethylene components and blow moulded components for automotive and other applications.)

Creating a Global Organization

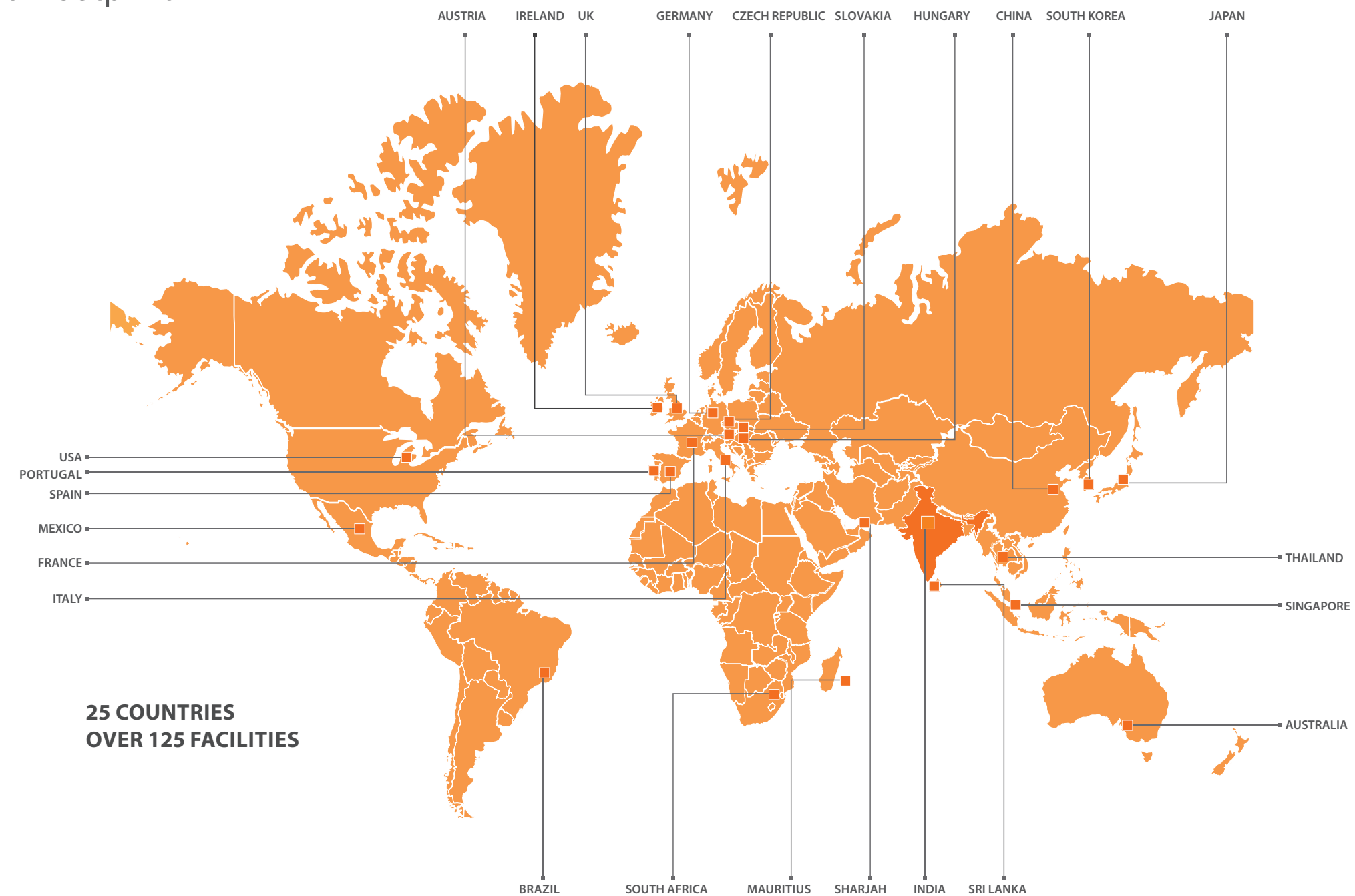
Starting as a single unit single location company in India, MSSL has evolved as a global company. With presence in 25 countries and over 125 manufacturing facilities the company has created a network of production plants, design and engineering centres, marketing offices, global sourcing and logistics hubs to support its expanding customer base on a global level. Through this network MSSL is serving its customers across the globe.

MSSL has employees from different nationalities with a wide range of experience and knowledge about their respective regions. This local knowledge enables the company to expand its operation very fast with a good understanding of the local environment. The ability of the company to establish manufacturing facilities globally in a very short time span at the customer's behest gives it a distinct advantage.

Presence in both developed and emerging markets gives the company a geographical balance and opportunities to grow. It also enables MSSL to source from the best cost countries and ensures horizontal implementation of global best practices throughout the organization.



Global Footprint



Locations in India



REARVIEW MIRRORS



WIRING HARNESSES



POLYMER PROCESSING



ELASTOMER, METAL MACHINING & OTHERS



GLOBAL DESIGN NETWORK



REPRESENTATIVE & SUPPORT CENTRES



From the Desk of the Chairman



// This year has a special significance as we complete 30 years of relationship with Sumitomo Wiring Systems //

// This is a historical year as it marks the completion of 20 years of listing of MSSL //

Dear Shareholders,

This year has a special significance as we complete 30 years of our relationship with Sumitomo Wiring Systems. It is a very special relationship which has grown stronger year by year. This relationship has gone beyond the wiring harness business to tooling, designing and components. This year for the first time in India, we have started manufacturing junction boxes, a complex and critical component for wiring harnesses, with technology from SWS. I take this opportunity to express my gratitude to SWS for being a great partner and a great teacher.

This is a historical year as it marks the completion of 20 years of listing of MSSL. Since its listing in 1993 your company has come a long way from being a single product company to a diversified global tier 1 supplier to automobile manufacturers across the world. It has been possible only with the support of all our stakeholders.

This year had its own share of challenges with a sentiment of slowing markets, high interest rates and the sliding rupee among others. While the overall market was sluggish, USA with 14.5% and China with 9.3% increase led the growth for light vehicles, whereas in Western Europe and the U.K. there has been only marginal growth.

MSSL has performed very well even in this challenging environment. The company achieved an all time high sales of ₹25,225 Crores, a growth of 72% over last year. Revenue outside India grew by 90% and domestic sales grew by 19%. Consolidated EBITDA and PBT grew at 80 % and 103%, while net profit grew by 71% to 445 Crores. Consolidated EPS was 7.56 as compared to 4.42 in the previous year.

All our business verticals have grown well. While we continue to support our customers for their existing models, we are also getting orders for new models. We are now supplying to many of our customers at a global level. We have the capability to become a global supplier to our customers for their global requirements.

Samvardhana Motherson Reflectec (SMR), our mirror business, registered its best performance with a record net sales of ₹ 6,954 crores (Euro 993 Mns), a growth of 22% over last year. SMR recorded an EBITDA growth of 61%, PBT by 109% and the PAT grew by 204%. In SMR we have received new orders worth Euro 1.33 Bn in 2012.

In line with our philosophy of keeping the ownership and management separate, Laksh Vaaman Sehgal, who took up a leadership role as the CEO of SMR during acquisition, handed over operational responsibility to Cezary Zawadzinski, COO, SMR who has been with SMR since 2003. Vaaman would now handle a more strategic role in SMR and in the Samvardhana Motherson Group as a whole.

Peguform (now Samvardhana Motherson Peguform – SMP) was acquired in November 2011 and is one of our biggest acquisitions. This is the first full year of consolidation and SMP contributed Rs 12,785 crores to the sales. We have been able to improve operational efficiencies which are reflected in the improved performance of the company.

With SMP now well integrated in Motherson, we are better equipped to serve our customers globally in their respective geographies. The acquisition enables us to support our customers in Europe and

“ We are present across geographies right from developed markets to emerging markets and are well positioned to utilize growth opportunities in whichever market they emerge ”

other countries in the area of modules especially cockpits, door trims, bumpers, front end and rear modules. It also strengthens our position in serving our customers in India. On a strong growth track, SMP received new orders worth Euro 2.40 Bn since April 2012.

The new orders from customers reflect the confidence they have reposed in us after the acquisition and turnaround of these businesses. We are grateful to them for their continued support.

SMR and SMP are companies with very strong research and engineering capabilities. We are investing in future technologies with a close view of the emerging trends and changing requirements of our customers. Our R&D capabilities give us a strong competitive edge. SMR and SMP together have over 860 patents.

We continue to build capacities to meet the increased demands of our customers. This year also saw a host of new facilities. New capacities are being added for wiring harnesses in Mexico, Thailand and India.

In rearview mirrors we are expanding our capacities in China to support the requirement of our existing customers. In Spain we have added new capacity of automatic painting in our existing plant. Two plants have started operations in India and we are also adding capacity in Mexico. MSSL's plastics operations in South Africa has consolidated its position by broadening its customer base and expanding operations through its new facility at Durban.

For Polymers we are coming up with plants in India and China. A green , eld plant was started in Puebla, Mexico which replaced two existing smaller plants. These expansions are aligned to the orders and requirements of our customers.

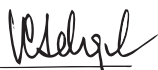
We are present across geographies right from developed markets to emerging markets and are well positioned to utilize growth opportunities in whichever market they emerge. This also reduces our regional dependence and gives us a base to support our customers globally for their product models. It provides us with the opportunity to cross sell our products to customers in different geographies.

We have consistently grown our content and value per car, as a result of which despite challenging industry situations we have grown faster than the market.

We are on track for the targets we set for 2015. The past three years saw huge growth for the company. We have almost achieved the sales target of 5 Bn dollars and are already present in 25 countries. In the next two years we would be concentrating on our targets for 2015. We are focussed and committed to creating long term value for all our stake holders.

On this occasion it is important to underline the contribution of our employees across the globe who make this organization what it is with their dedication and hard work. Our motivated employees are ready to accept challenges even outside the domain of their work. An example of this is the team at our Sharjah operations which has added 4 new Guinness World Records to take their tally to a total of eight records. I would like to express my special thanks and deep appreciation to all the employees of Motherson in all locations for their commitment and dedication in meeting the Company's goals.

I thank our valued customers and partners for their unstinted support to us at all times. Without your support none of what we have been able to do could have been achieved. Last but not the least I would also like to thank you, our shareholders, for the trust and confidence you have reposed in us at all times in the past 20 years. We will continue creating value for all our stakeholders and look forward to strengthening our association further, in the years to come.



V.C. Sehgal
Chairman, Motherson Sumi Systems Limited

Financial Highlights

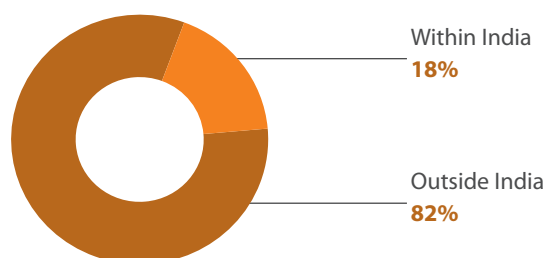
Consolidated

	2012-13	2011-12	(₹ in Million) % change
Sales - Net of Excise			
Within India	45,672	38,226	19%
Outside India	206,581	108,796	90%
Total Sales	252,253	147,022	72%
PBIDT*	19,092	10,627	80%
Pro3t before Tax	8,350	4,118	103%
Pro3t after Tax(net)	4,445	2,596	71%
Earning Per share (₹ Per share) -Diluted	7.56	4.42	71%
Reserve and Surplus#	22,302	18,325	22%

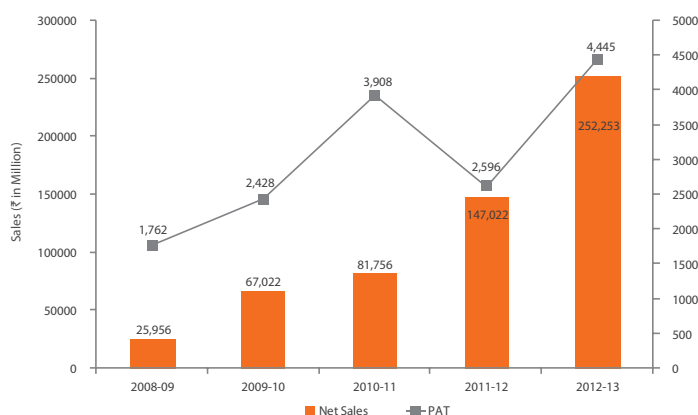
* Excluding foreign exchange fluctuation on Long Term Loans & exceptional income / expense and non operating income

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

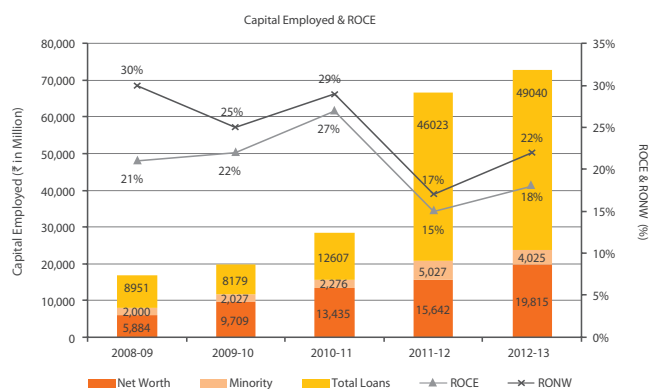
SALES BREAK-UP



NET SALES & PAT



CAPITAL EMPLOYED & ROCE



Financial Highlights

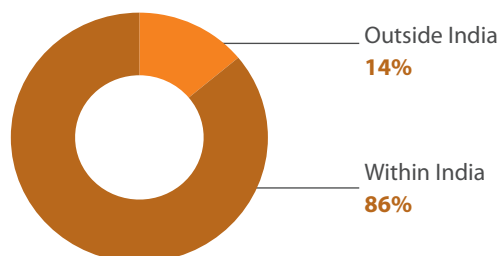
Standalone

	2012-13	2011-12	(₹ in Million) % change
Sales - Net of Excise			
Within India	36,616	30,409	20%
Outside India	5,797	4,880	19%
Total Sales	42,413	35,289	20%
PBIDT*	8,037	5,892	36%
Pro3t before Tax	6,497	4,345	50%
Pro3t after Tax (net)	4,696	3,172	48%
Equity Capital	588	392	50%
Earning Per share (₹ Per share) -Diluted	7.99	5.39	48%
Reserve and Surplus#	15,653	12,464	26%
Loan Funds	9,273	9,397	-1%

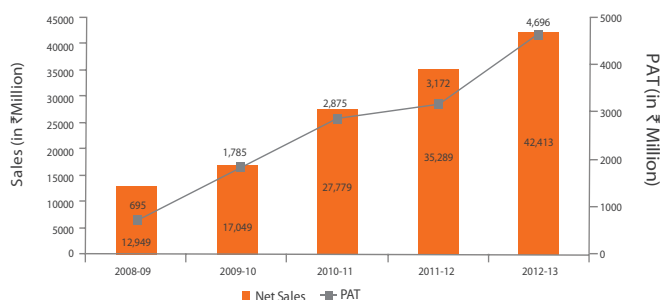
* Excluding foreign exchange fluctuation on Long Term Loans, Dividend income and other non operating income

Excluding reserve on amalgamation and revaluation reserve.

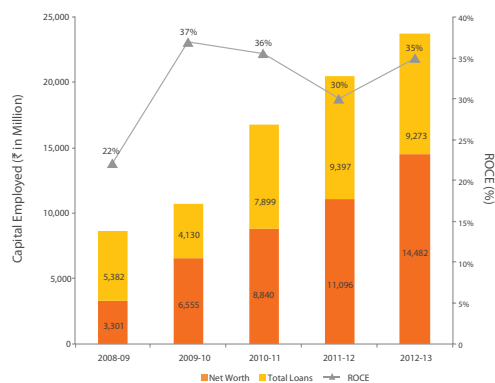
SALES BREAK-UP



NET SALES & PAT



CAPITAL EMPLOYED & ROCE



Awards & Recognitions

MSSL serves its customers globally with high quality products and integrated solutions. Working on the parameters of Quality, Cost, Delivery, Development, Management, Safety, Environment and Sustainability (QCDDMSES), MSSL has evolved as a trusted partner with global OEMs.

MSSL also strives to scores well on the global performance parameters set by its customers and collaborators.

As good corporate citizen, MSSL has earned the trust of the regional authorities that it works with.

A recognition of this trust is reflected in the awards and recognitions that MSSL receives from its customers, collaborators and also from the trade bodies and government authorities in countries in which it operates.

Global

General Motors, USA



Supplier of the Year
(Polymers)



Platinum Supplier Status
(Rearview Mirrors)

Toyota



Regional Contribution Award
(Rearview Mirrors)

SsangYong



Best Supplier Award
(Rearview Mirrors)

Hyundai Mobis, China



Best Supplier Award
(Rearview Mirrors)

Hyundai Mobis, Korea



Global Supply of High Quality Parts
(Rearview Mirrors)

Domestic

Maruti Suzuki



Overall Performance
Gold Award
(Wiring Harness)



Incoming Quality Improvement
(Wiring Harness)



Inner Part Localisation
(Wiring Harness)



VAVE Award
(Wiring Harness)



Timely Capacity Enhancement
(Polymers)

Toyota



Supplier of the Year - Silver Award
(Polymers)

Hyundai



Gold Award for Quality
(Wiring Harness)



Spare Part Gold Award
for Quality, Cost & Delivery
(Polymers)

Hyundai



Merit Award for Quality
Excellence
(Wiring Harness)



Quality Excellence Award
(Wiring Harness)

Honda Cars Suppliers Club



Winner Quality Circle Competition
(Wiring Harness)

Caterpillar



Supplier Quality Excellence Gold
(Wiring Harness)



Merit Award for
Best Cooperation
(Polymers)



Quality Excellence Award
(Polymers)

Awards & Recognitions

Hyundai Mobis



National Top Performer for
Service Parts Supply
(Rearview Mirrors)

Sumitomo Wiring Systems



Superior Safety Level Award
(Polymers)

Győr-Moson-Sopron County Chamber of Industry, Hungary



Prestige Award for Innovation
(Rearview Mirrors)

MechTech Hungary



National Industry Award
(Rearview Mirrors)

Sri Lankan Authorities



Global Commerce Excellence
(Wiring Harness)

National Tax Service Republic of Korea



Honest Tax Payer
(Rearview Mirrors)

Management Discussions and Analysis

OVERVIEW

MSSL has emerged as an industry leader in providing full system solutions to the global automotive industry. The Company has expanded globally through a mix of organic and inorganic growth with focus to be a globally preferred supplier. The company has outperformed the industry year on year by increasing content per car.

MSSL has been considered as the preferred supplier among OEMs with its ability to provide end to end solutions, from global manufacturing capability and competitive footprint to core expertise in all aspects of design, research, engineering and development. This strength has laid the foundation for ability to capitalize on the upcoming opportunities and to master the challenges that lie ahead.

The year started with clear direction of improving operations of Samvardhana Motherson Peguform (SMP) (acquired on 23 November, 2011) and further enhancing the performance of existing business. The Company has performed exceptionally well and delivered strong results with focus on achieving its Vision 2015.

HIGHLIGHTS

Some of the major accomplishments during 2012-13 are as follows:

1. The Company achieved record turnover of ₹252 Bn (equivalent to US\$ 4.6 Bn).
2. Exponential Growth in sales of 72% on consolidated basis and 20% on standalone basis. Even without considering Revenue of SMP total sales grew by 22% on consolidated basis.
3. Profit before Interest Depreciation and Tax (PBITD) has substantially increased by 79% on consolidated basis and 36% on standalone basis.
4. Profit before Tax (PBT) registered tremendous growth of 103% on consolidated basis and 50% on standalone basis.
5. Profit after Tax (PAT) has significantly improved by 71% on consolidated basis and 48% on standalone basis.
6. Samvardhana Motherson Reflectec (SMR) has delivered strong results, recorded substantial improvement in profitability along with highest ever annual sales of ₹69,538 Mn (Euro 993 Mn). SMR has delivered strong growth in EBITDA by 61% at ₹4,511 Mn (Euro 64 Mn), PBT by 109% at ₹2,036 Mn (Euro 29 Mn) and PAT by 179% at ₹1,074 Mn (Euro 15 Mn).
7. SMP has achieved turnover of Euro 1.8 Bn and various measures initiated post acquisition has resulted in significant improvement in profitability EBITDA at 3.8% of sales and Adjusted PBT of ₹180

Mn (before exchange fluctuation on long term loans) in its first full year of acquisition under the Samvardhana banner.

8. MSSL continues to deliver consistent and progressive returns to the shareholders, bonus share in the proportion of 1:2 allotted during the year and dividend of ₹2 per share recommended on expanded capital, dividend payout ratio of 31% (Previous year 39.5%) of the consolidated profits after tax.
9. MSSL is achieving synergies through horizontal and vertical integration, supplied Wiring Harnesses of ₹2,248 Mn (Previous year ₹1,465 Mn) (excluded in the reported consolidated sales of the company) to SMR during 2012-13.
10. The company incurred capital expenditure (on consolidated basis) of ₹10,895 Mn mainly for expansion of capacities:
 - Wiring Harness division has set-up two new units in Noida (India) and overseas at Mexico and Thailand where production already started during the year.
 - SMR has started commercial production and supplies from new facilities in Brazil, Thailand and Pune (India) for mirror manufacturing and vertical integration.
 - Polymer division has set up new Interior plant in Castellbisbal (Spain), the ramp-up of commercial production and supplies have started during 2012-13. SMP has set up new facility at Puebla (Mexico) and incurred major capital expenditure at Atibaia (Brazil) for enhancing paint shop capabilities. The impact of these initiatives has started yielding results towards the end of financial year. In India the new facility with robotic paint shop at Ford Supplier Park, Chennai for serving new business from FORD started commercial production.

INDIAN VEHICLE & COMPONENT MARKET

The Indian auto component industry faced challenges during 2012-13 with the growth rate squeezing on account of economic slowdown. The demand was restrained by higher interest rates, inflation, fuel prices, volatile commodity market, industrial unrest and adverse forex fluctuations. The Indian vehicle market, after a few years of consistent good performance, witnessed a distinct slowdown in growth. While passenger vehicle segment saw witnessed an overall volume growth rate of single digit for consecutive two years i.e. 4% in 2012-13 and 5% in 2011-12, the sale of Commercial Vehicles declined by 4% after registering impressive growth in the last two years. Industrial unrest, high interest rates and slowdown in infrastructure projects contributed to lower demand for commercial vehicles. Two wheelers volume growth was subdued at 2% in comparison with 16% during 2011-12.

Figures in Thousand

Segment	2012-13	2011-12	2010-11
Passenger Vehicle			
Numbers	3,241	3,124	2,987
Growth Rate	4%	5%	27%
Commercial Vehicle			
Numbers	873	912	753
Growth rate	-4%	21%	33%
Two Wheelers			
Numbers	15,759	15,454	13,376
Growth Rate	2%	16%	27%

Source: ACMA Report

With the Government now focusing on policy decisions, interest rates and growth, there is an expectation of an improvement in the demand situation. The automobile industry is also expected to witness a surge and in spite of the current dismal performance the medium to long-term outlook remains positive with India emerging as a small car hub and all major global players now having base in India for manufacturing, global sourcing as well as engineering.

GLOBAL CAR PRODUCTION

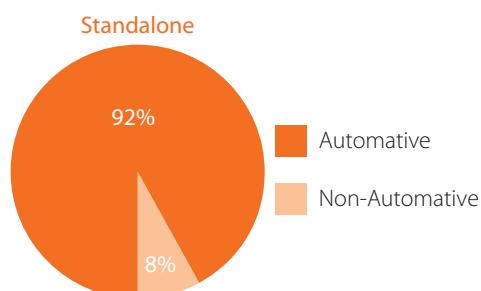
Vehicle Production: Region (in numbers)	FY 2012-13			
	Apr – Jun	Jul - Sep	Oct - Dec	Jan - Mar
Europe	4,409,933	4,929,691	4,626,678	4,825,894
Middle East/Africa	366,949	447,918	389,932	409,894
North America	3,682,959	3,971,075	3,795,112	3,984,362
South America	1,161,736	1,035,971	1,138,610	1,026,153
Asia (Excluding India)	9,055,340	9,046,430	9,615,310	9,590,380
India	884,396	895,519	934,631	1,010,538
Grand Total	19,561,313	20,326,604	20,500,273	20,847,221

MSSL has performed well in this challenging environment as it has consistently increased its content per car and built trust with customers which reflects in the new orders that the company has received. The company's ability to support customers globally as full system solutions provider makes it a preferred supplier to the global automobile manufacturers. The company has improved its financial performance by continuously improving operational efficiencies across the organization.

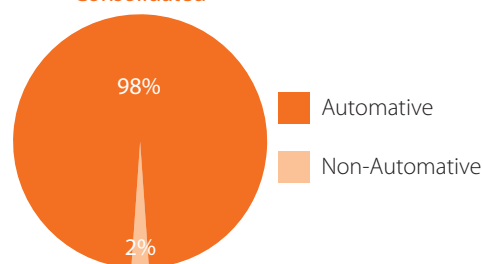
SEGMENT PERFORMANCE - AUTOMOTIVE / NON AUTOMOTIVE

The Company has organized its business in two reportable operating segments i.e. Automotive and Non – Automotive.

The following table shows business augmentation with respect to segment disclosure during 2012-13:



Consolidated



(₹ in Million)

	2012-13	2011-12	Growth %
Consolidated			
Automotive	246,098	141,500	74%
Non Automotive	6,155	5,522	11%
Total	252,253	147,022	72%
Standalone			
Automotive	39,083	32,111	22%
Non Automotive	3,330	3,178	5%
Total	42,413	35,289	20%

In automotive segment the company supplies to all the leading automobile manufacturers globally. The main products offered by the company in this segment are Wiring Harness, High Tension Cords, Wire, Plastic Components, Rubber Components, Cockpit Assembly, Mould for wiring harness components and mould parts, Plastic Molded Components, Brass Terminals, Thermo-Formed Products, Polyurethane Molded Products, Blow Molded Products, HVAC Module, Compressors, Body Control Modules, Meters Clusters, Interior Mirrors, Exterior Mirrors, Bumper Systems, Plastic Components for vehicle exteriors, dashboards and vehicle interior trims.

The contribution of automotive segment in the company's revenue has increased to 98% on consolidated basis and 92% on standalone basis from 96% and 91% respectively in 2012-13. The growth in the automotive segment and variety of products offered by the Company has contributed to significant increase in sales by 74% on consolidated basis and 22% on standalone basis, compared to previous year.

In non automotive segment, MSSL is one of the largest suppliers of wiring harnesses 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 like Pen-Stamp Assembly, Plastic Components for white goods, Household Wires, Plates, Aerobin, Re-Timer light device, Premium embossed travel case, USB recharging cable to its customers from individual parts to full system solutions.

MSSL sales in this segment contributed growth in revenues by 11% on consolidated basis and 5% on standalone basis. The Company is able to achieve growth by adding customers from diversified industries across the globe. The contribution of non-automotive segment in the company's revenue is 2% on consolidated basis and 8% on standalone basis.

SALES PERFORMANCE

MSSL has outpaced the market growth during 2012-13 at both domestic and global front. The consolidated sales grew by 72% to the record level of ₹252 Bn (equivalent to USD 4.6 Bn) whereas standalone sales registered a strong growth of 20%.

Sales performance of the company during the year 2012-13 on consolidated and standalone basis is as follows:

₹ in Million

	2012-13	2011-12	Growth %
Consolidated			
Customers within India	45,672	38,226	19%
Customers Outside India	206,581	108,796	90%
Net Sales	252,253	147,022	72%
Standalone			
Customers within India	36,616	30,409	20%
Customers Outside India	5,797	4,880	19%
Net Sales	42,413	35,289	20%

MSSL has strengthened its customer base and global presence with the acquisition of SMP (in 2011) and SMR (in 2009). The Company offers wide range of value added products and integrated solutions to its customers. The Company has presence in 25 countries and conducts its operations from over 126 manufacturing facilities supported by technical centers located globally.

The Company's sale to customer outside India has got strong momentum with SMP and it grew by 90% on consolidated basis while on standalone basis it grew by 19%. The company has substantially expanded its customer base globally and further reinforces its relationship with existing customers.

On the domestic front, the company witnessed a healthy growth of 19% on consolidated basis and 20% on standalone basis despite continuing volatile and depressed market conditions in the Indian automotive market in 2012-13. The Company is considered as a preferred supplier in the segments dealt with and offer full system solution in each product category to the customers.

REVENUES

MSSL has transformed from a wiring harness manufacturer to a single service interface for multiple customer needs. The product profile has been expanded to add new product ranges to suit customer needs across various industries in different geographies. MSSL has become a;

- Leading full service supplier of differentiated high quality interior & exterior polymer products for the automotive and related Industries globally.
- Leading global suppliers of rear view mirrors to the automotive industry.
- Largest manufacturers of automotive wiring harnesses for passenger cars in India

MSSL also supplies plastic components and modules to the automotive industry. Other product range comprises rubber components for automotive & industrial applications, high precision machined metal

parts, injection molding tools, Brass Terminals, Thermo-Formed Products, Polyurethane Molded Products, Blow Molded Products, HVAC Systems, Compressors, Body Control Modules, Meters Clusters, Aerobin, Re-Timer light device, Premium embossed travel case, USB recharging cable and Vehicle Electronics.

MSSL revenues are well diversified geographically by customer and vehicle segment. The Company is serving to all major automobile manufacturers across the globe. Along with automotive industry, the Company is also supplying to major industry segments in the non automotive sectors like earthmoving and material handling equipments, agriculture and farm equipment, medical diagnostics, white goods etc.

During the year, the consolidated revenues of MSSL increased by 72% to ₹252,253 Mn and on a standalone basis, the revenues increased by 20% to ₹42,413 Mn.

₹ in Million

	2012-13	2011-12	Growth %
Consolidated			
Polymer Components*	142,048	56,993	149%
Mirrors	69,469	56,611	23%
Wiring Harness	37,651	30,540	23%
Rubber/Metal machined & other products	3,085	2,878	7%
Total	252,253	147,022	72%
*Includes Sale of SMP	127,843	45,279	182%

₹ in Million

	2012-13	2011-12	Growth %
Standalone			
Wiring Harness	31,826	25,688	24%
Polymer Components	10,194	9,303	10%
Rubber/Metal machined & other products	393	298	32%
Total	42,413	35,289	20%

POLYMER

The Polymer Division of the company specializes in developing and manufacturing wide range of products for both vehicle exteriors as well as interiors. Extensive portfolio of products offered consists of comprehensive variety of integrated modules, injection moulded components, slush moulded components, blow moulded components and assemblies. The Company is well positioned to leverage the global trend of using more plastic content in cars, adding more features for comfort and also to upgrade the quality standards with time.

With 49 molding facilities across globe in India, Brazil, China, Mexico, Sharjah, Germany, Portugal, Slovakia, South Africa, Spain and Czech Republic, Polymer division contributed 56% to the Company's consolidated revenues in 2012-13. Now it is amongst the largest plastic component and module suppliers to the automotive industry in Europe and India.

Samvardhana Motherson Peguform (SMP) is an established Global Tier 1 manufacturer of polymer-based automotive modules specializing 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 & 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 facilities and 7 engineering centers 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 317 patents & has filled for further 51 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. SMP is expanding its business base in China, Brazil and Mexico to support its customer across the globe.

MSSL is pursuing 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. The objective is to expand the business significantly through improved quality and engineering capabilities coupled with combined customer base and geographic footprint.

MSSL Global RSA Module Engineering Limited and Vacuform 2000 Pty Limited, subsidiaries of MSSL in South Africa, specialize in manufacturing of molded parts, thermo-formed products, polyurethane molded products and blow molded products majorly for automotive industry. The Company has consolidated its position in South Africa by broadening its customer base and is aggressively expanding operations by setting up new facility at Durban. The Company expects to reap the full benefits of existing opportunities and future growth in the coming years.

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, integrated modules and high precision plastic parts especially 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.

MATE has 12 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 will continue to witness healthy growth because of expanding customer base and diversified product portfolio.

MATE units have been awarded with appreciation in the categories of Quality, Cost, Delivery, Development, Management, Vendor Performance and Supply by various customers.

The Polymer division of the company has registered a record growth

of 149% on consolidated basis and 10% on standalone basis during 2012-13.

₹ in Million

Polymer	2012-13	2011-12	Growth %
Consolidated			
Customers Within India	10,308	9,411	10%
Customers Outside India	131,740	47,582	177%
Total	142,048	56,993	149%
Standalone			
Customers Within India	9,365	8,507	10%
Customers Outside India	829	796	4%
Total	10,194	9,303	10%

- The current year figures include the results of SMP (acquired on November 23, 2011) for twelve months whereas previous year figures include the results from date of acquisition, hence not comparable.

SMP performance has also been discussed in detail in the "Performance of Companies" Subsidiary Section.

Markets outside India

On consolidated basis sales to the customers outside India has grown considerably and contributed a turnover of ₹132 Bn. 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.

Domestic

During the year, Polymer Division achieved an increase of 10% 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.

Outlook

The status of capacity expansions initiated during previous year is as follows:

- MATE has completed the new facility and robotic paint shop at Ford Supplier Park, Chennai mainly for serving new business from FORD. The new facility started commercial production during 2012-13.
- MATE has set up new robotic paint shop and ramped up the commercial production and supplies from new facility at Tapukara, Rajasthan for catering new businesses from Maruti, Honda and other customers.
- SMP has completed setting up of new Interior plant in Castellbisbal, Spain, the ramp-up of commercial production and supplies started during 2012-13.

- SMP has incurred expenditure for enhancing molding capabilities at Atibaia, Brazil, and the same has started yielding results from fourth quarter.
- SMP has set up of new plant at Puebla, Mexico to enhance molding capabilities and consolidate its existing business, commercial production and supplies started during 2012-13.

During 2012-13, the Polymer Business started expanding capacity at the following locations:

- SMP is setting up a second facility at Schierling, Germany (close to existing facilities at Neustadt) for manufacturing of plastic components to meet new orders received from the existing customers.
- SMP is setting up a new facility at Foshan, China for serving new orders received from the existing customers.
- SMP is setting up Engineering Centre at Noida to provide technological support to expand the business in domestic market.
- SMP is setting new paint shops and/or other facilities at Oldenburg and Polinya to bring about improvements in operations, more particularly in the paint shop.
- MATE is setting up a new facility at Sanand, Gujarat to meet increasing demand from customers.
- MSSL Global RSA Module Engineering Ltd. is setting up a new facility at Durban, South Africa for manufacturing of molded parts like bumpers, instrument panels and door trims for serving increasing customer base.

AUTOMOTIVE MIRRORS

Samvardhana Motherson Reflectec (SMR), the mirror division of the company constitutes 28% share of the total business portfolio of MSSL. SMR, a subsidiary of Motherson Sumi Systems Ltd, 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 approximately 22% market share of the total global exterior mirror sales as assessed by the Company. Principal business activities of SMR include designing, manufacturing, producing and supplying exterior & 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 over 600 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 7,000 full-time employees as on March 31, 2013. 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.

₹ in Million

Polymer	2012-13	2011-12	Growth %
Consolidated			
Customers Within India	2,963	2,545	16%
Customers Outside India	66,506	54,066	23%
Total	69,469	56,611	23%

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

Outlook

SMR strategy to focus on vertical integration of selective high potential items, like glass, actuators and wiring harnesses has started giving cost advantage and competitive edge to the business.

The status of capacity expansions initiated during the previous year is as follows:

- The Company's 2nd plant at Hungary which was inaugurated during previous year has contributed significantly towards growth in supplies to European OEMs. During the year there is a ramp up in commercial production and supplies for new orders awarded from European customers post acquisition started from this new facility.
- SMR Greenfield plant at Brazil inaugurated during December 2011 started commercial production and supplies to customers, further ramp up in production will be during 2013-14. This would give the footprint in South America which is a large automotive market.
- SMR has completed a new mirror assembly facility along with a dedicated Glass plant at Thailand for in-house glass requirement. Both mirror assembly and glass plant facility was commissioned during 2012-13 and supplies to customers have been started.
- SMR has completed a new plant at Pune (India) to cater to the requirement of western India based customers. Commercial production and supplies from this facility started during the year and now have been stabilized.

During 2012-13, SMR started expanding the capacities at the following locations:

- SMR is expanding its footprint in China, a new facility plant is under construction at Langfang. Commercial production from this facility will commence from 2013-14.
- SMR new facility at Yancheng, China is under Construction for

capacity expansion to support new orders. Existing plant at Yancheng will also move to a bigger and new facility in 2013-14 with enhanced capacities.

- New paint shop was installed at Spain to improve the quality & efficiency and to create more capacities as well.
- SMR has also enhanced the capacities at the Mexico facility along with a dedicated Glass plant for in-house glass requirement to cater to the growing markets in Americas.
- SMR is setting up a new facility at Michigan, USA to cater to growth coming up in North American market. Commercial production will start from 2014-15.

WIRING HARNESSSES

The Company's wiring harness business maintained its leadership position and dominant market share with leading automobile companies in India.

The Company is a leading supplier of wiring harnesses to nearly all OEMs in India and together with its Joint Ventures enjoys more than 65% market share of the passenger car segment in India as assessed by the Company. The comprehensive design capabilities from the vehicle designing stage and extensive product portfolio facilitate continuous gain of market share and rapid growth in revenue than the overall industry.

The high degree of backward integration for key inputs of the product like wires, connectors, terminals & fuse boxes, tube clamps & binders, grommets & seals, caps & sleeves etc enables the Company to further enhance the growth. Merger of SMIEL with the Company was completed during the year. 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. It has further strengthened capabilities for indigenization, in-house development and manufacturing of components for wiring harness.

Superior quality end product, consistent just-in-time product supply and customer service continues to be areas of competitive advantage for the wiring harness business. The customer base of Wiring Harness spans the entire spectrum of 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 Company is expanding its presence globally by setting up new production facilities in key markets in order to support new business and growth. The division currently operates with 40 manufacturing facilities & 7 design centers serving a large number of major automotive, heavy duty and industrial customers worldwide.

The Company with its subsidiaries and joint ventures has its wiring harness manufacturing and support spread across India, Sharjah, Ireland, Sri Lanka, Italy, Japan United Kingdom, Mexico, Thailand and Korea. 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.

₹ in Million

Wiring Harness	2012-13	2011-12	Growth %
Consolidated			
Customers Within India	32,240	26,110	23%
Customers Outside India	5,411	4,430	22%
Total	37,651	30,540	23%
Standalone			
Customers Within India	27,082	21,748	25%
Customers Outside India	4,744	3,940	20%
Total	31,826	25,688	24%

Domestic Market

The Company outperformed the domestic market and registered healthy growth of 25% on standalone basis and 23% on consolidated basis in revenues.

The division endeavors to take its vision forward of becoming a globally preferred solution provider demonstrated from the appreciation and awards received from its customers in the categories of Quality, Cost, Delivery, Development, Management, Vendor Performance and Supply to name a few.

Outside India

Exports from India recorded growth of 20% at ₹4.74 Bn on standalone basis mainly driven by expanded customer base. It also includes sale of wiring harness of ₹1,184 Mn (Previous Year ₹873 Mn) to various locations of SMR. The total sale wiring harness outside India on a consolidated basis registered a strong growth of 22% at ₹5.41 Bn mainly on account of increase in demand from existing and new customers.

During 2012-13, the Company started progressively supplying major portion of wiring harness requirement of automotive mirrors to various locations of SMR. On consolidated basis the Company supplied wiring harness of ₹2,248 Mn to SMR (Previous year ₹1,465 Mn) which has been knocked off and excluded from the reported sales of the Division.

Outlook

The Company has aggressively expanded its customer base both domestically and in the international market over the years and maintained healthy relationship with the customers. The prospects of the segment remain encouraging with increasing demand for more features and functionality in vehicles, which is the driving force for change in traditional electrical distribution system.

The Company has set up new facilities in Mexico, Thailand and Korea in order to gain entry into new markets, expand product offerings and broaden its customer base globally. The new markets will provide opportunity to explore new business relationships and additional growth prospects. The cost of main raw material, copper continues to be volatile in the international market, which remains a challenge.

The status of capacity expansions initiated during previous year is as follows:

- Two new plants set up at Noida and Pathredi for adding production capacities to meet the increasing requirements of domestic and export market, commercial production from these plants started during 2012-13.
- New wire plant set up at Noida with production capacity of 50,000 kms wire per month for in-house requirement. The commercial production and supplies from this facility commenced during 2012-13.
- New facility set up at Mexico for manufacturing of wiring harness 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 commenced from the second half of 2012-13 in a phased manner.
- New facility set up at Thailand for manufacturing of wiring harness for leading OEMs in the region. This will give the footprint in South East Asia which is a large automotive market. Commercial production and supplies from this plant started from 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 its facility at Bengaluru. In addition to this, the Company has a subsidiary Motherson ORCA Precision Technologies GmbH (MOPT) at Donaueschingen, Germany.

The Rubber Components business is conducted through subsidiary of the Company Motherson Elastomers Pty Ltd in Australia, MAE division of MSSL in Chennai and three joint ventures with WOCO in India and Sharjah.

₹ in Million

Rubber/ Metal Machined Components	2012-2013	2011-2012	Growth %
Consolidated			
Customers Within India	179	160	12%
Customers Outside India	2,906	2,718	7%
Total	3,085	2,878	7%
Standalone			
Customers Within India	169	153	10%
Customers Outside India	224	145	54%
Total	393	298	32%

Domestic & Outside India

During the year, the division achieved growth of 12% in its domestic revenue and 7% in revenue outside India on consolidated basis.

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 has expanded its production facility at Bengaluru, India and enhanced the capacities for meeting increased demand from customers. The commercial production and supplies from this facility started during 2012-13.
- The Division is setting up new facility at Mexico for manufacturing machined parts to meet demand from the existing customers. This will also open new growth opportunities and give the footprint in South America which is a large automotive market.

FINANCIAL REVIEW

MSSL has again delivered consistent performance and outperformed the market with record revenues and profitability. The consolidated financial performance is impressive in terms of profitability along with healthy growth in standalone results. The Consolidated performance has got momentum with transformation of SMR, delivering strong improvement in profitability and SMP started showing significant improvement in operations.

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

Consolidated

₹ in Million

Financial Position	2012-13	2011-12	% change
Net Fixed Assets	56,629	51,380	10%
Other Assets:			
- Inventory	26,036	22,496	16%
- Trade Receivables	29,400	30,127	-2%
- Cash & Bank Balance	5,944	4,557	30%
- Other Assets	10,266	12,002	-14%
Total Assets	128,275	120,562	6%
Liabilities (other than Loans)	52,320	50,795	3%
Net Assets	75,955	69,767	9%
Source of Funding:			
Net Worth	19,912	15,739	27%
Reserve on Amalgamation and Consolidation	2,978	2,978	-
Minority Interest	4,025	5,027	-20%
	26,915	23,744	13%
Loans Outstanding:			
- Payable within one year	8,328	4,734	76%
- Short Term Loans	13,553	11,678	16%
- Long Term Loans	27,159	29,611	-8%
Total Loans	49,040	46,023	7%
Capital Expenditure (Net of disposals)	10,895	10,337	5%

₹ in Million			
Results	2012-13	2011-12	Growth %
Sales	252,253	147,022	72%
Other Operating Income	3,917	2,054	91%
Cost of Goods Sold	164,838	95,435	73%
Employee Cost	42,827	23,170	85%
Other Expenses	29,413	19,844	48%
PBIDT (*)	19,092	10,627	80%
Exchange Fluctuation Loss / (Gain) on Long Term Loans	1,279	391	227%
Exceptional Expenditure / (Income) Net	-	809	-100%
PBT	8,342	4,116	103%
PAT	4,516	1,965	130%
Concern Share after adjusting Minority Interest	4,445	2,596	71%
EPS – Diluted (₹)	7.6	4.4#	71%

*Excludes foreign exchange fluctuation on Long Term Loans, exceptional income / expense and Non Operating Income.

EPS of previous year has been restated on account of Bonus Shares allotted during 2012-13, in the proportion of 1 share for every two shares held.

- The Current year figures include the results of SMP (acquired on November 23, 2011) for twelve months whereas previous year figures include the results from date of acquisition, hence not comparable.

During the year under review, the Company's consolidated sales hit a new record level of ₹252,253 Mn, registering a strong growth of 72% in comparison to the previous year sales of ₹147,022 Mn. Without considering sales of SMP Group, the Company sales grew by 22% from ₹101,743 Mn during previous year to ₹124,410 Mn.

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 movement in prices of copper. Average price for copper during 2012-13 was USD 7,855 /MT in comparison with previous year average price of USD 8,485 /MT. However the company has arrangements with its major customers for passing on the price impact.

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 cost on aggregate comprise the second largest cost after raw material. It includes salaries & wages, contribution to provident

fund, gratuity funds, employee pension schemes and expenses incurred on staff welfare. Employee costs have increased by 85% in 2012-13 in absolute terms, higher than growth in the sales volume of the company, mainly due to recruitments for new start up facilities & capacity expansion in India, Brazil, Mexico, Thailand and South Africa.

Profit before Interest Depreciation and Tax (PBIDT) substantially increased by 80% at ₹19,092 Mn from ₹10,627 Mn during 2012-13. The Company was able to maintain strong profitability despite severe cost pressure due to adverse movement in forex market and volatile commodity markets.

Profit before Tax (PBT) doubled to ₹8,342 Mn as against ₹4,116 Mn during previous year, registering a record growth of 103%.

Profit after Tax (PAT) concern share significantly improved by 71% at ₹4,445 Mn as against ₹2,596 Mn during the previous year.

During the year, the company incurred exchange fluctuation loss of ₹1,279 Mn on account of long term loans including mark to the market (Previous year exchange gain of ₹391 Mn).

Standalone

₹ in Million			
Financial Position	2012-13	2011-12	% change
Net Fixed Assets	15,057	13,432	12%
Other Assets:			
Inventory	5,420	4,652	17%
Trade Receivables	5,464	5,428	1%
Cash & Bank Balance	658	202	225%
Investments	5,132	3,704	39%
Other Assets	2,673	2,852	-6%
Total Assets	34,404	30,270	14%
Liabilities (other than Loans)	8,889	8,018	11%
Net Assets	25,515	22,252	15%
Source of Funding:			
Net Worth	14,578	11,192	30%
Reserve on Amalgamation and Consolidation	1,663	1,663	-
	16,241	12,855	26%
Loans Outstanding:			
- Payable within one year	915	725	26%
- Short Term Loans	3,263	4,273	-24%
- Long Term Loans	5,095	4,399	16%
Total Loans	9,273	9,397	-1%
Capital Expenditure (Net of disposals)	3,089	3,625	-15%

₹ in Million

Results	2012-13	2011-12	Growth %
Sales	42,413	35,289	20%
Other Operating Income	804	586	37%
Cost of Goods Sold	25,296	21,517	18%
Staff Cost	4,393	3,454	27%
Other Expenses	5,491	5,012	10%
PBIDT (*)	8,037	5,892	36%
Exchange Fluctuation Loss /(Gain) on Long Term Loans	290	552	-47%
PBT	6,497	4,345	50%
PAT	4,696	3,172	48%
EPS – Diluted (₹)	7.9	5.4*	46%

*Excludes foreign exchange fluctuation on Long Term Loans, Dividend Income and other Non Operating Income.

EPS of previous year has been restated on account of Bonus Shares allotted during 2012-13, in the proportion of 1 share for every two shares held.

- The Current year figures include the results of SMP (acquired on November 23, 2011) for twelve months whereas previous year figures include the results from date of acquisition, hence not comparable.

During the year, the company standalone revenue significantly grew by 20% to ₹42,413 Mn.

PBIDT registered a remarkable growth of 36%, increased to ₹8,037 Mn from ₹5,892 Mn during previous year.

PBT amounted to ₹6,497 Mn, up from ₹4,345 Mn during previous year, recording a substantial growth of 50%.

During the year, the company incurred exchange fluctuation loss of ₹290 Mn on account of long term loans (Previous year exchange loss of ₹552 Mn).

CASH FLOW

₹ in Million

	2012-13 Consolidated	2012-13 Standalone
Operating profit before working capital changes	19,541	8,106
Change in working Capital (including taxes paid and exceptional)	4,681	2,106
Cash flow from operating activities	14,860	6,000
Cash flow from Investing activities	(10,790)	(3,559)
Cash flow from financing activities	(2,558)	(1,988)
Net Increase/(Decrease) in Cash & Cash Equivalents	1,512	453
Net Cash and Cash equivalents at the beginning of the year	4,429	190
Cash and cash equivalents as at current year closing	5,941	643

CAPITAL EXPENDITURE

During the year, the Company incurred capital expenditure of ₹10,895 Mn and ₹3,089 Mn on consolidated and standalone basis respectively. Significant portion of this expenditure has been funded from internal accruals. The Company invested significant amount during past years in capacity expansion and expanding to new geographies such as Mexico, Brazil, 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 Mn to ₹8,000 Mn during 2013-14, the details of which are described in various sections.

PERFORMANCE OF COMPANIES

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

Samvardhana Motherson B.V. (SMP), Netherlands
(Consolidated with its Subsidiaries & Joint Venture)

Introduction: 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.

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:

Euro in Million

SMP – Consolidated [#]	2012-13	2011-12	% change
Net Fixed Assets	341	328	4%
Goodwill on Acquisition	24	18	28%
Other Assets:			
- Inventory	169	152	11%
- Trade Receivables	168	217	-23%
- Cash & Bank Balance	33	28	19%
- Other Assets	55	76	-28%
Total Assets	789	819	-4%
Liabilities (other than Loans)	383	402	-5%
Net Assets	406	417	-3%
Source of Funding:			
Net Worth	(44)	(31)	-42%
Minority Interest	41	56	-27%
	(3)	25	-112%
Loans Outstanding:			
- Payable within one year	125	32	291%
- Short Term Loans	18	65	-72%
- Long Term Loans	266	295	-10%
Total Loans	409	392	4%
Capital Expenditure (Net of disposals)	60	32	119%

#As per financials prepared under Indian GAAPs for the purpose of consolidation.

*including debt taken for acquisition of SMP and guaranteed by MSSSL & SMIL in the ratio of shareholding.

Performance in 2012-13:

Euro in Million

SMP – Consolidated [#]	2012-13	2011-12	Growth %
Sales	1,826	677	170%
PBIDT (*)	69	9	667%
Depreciation	47	13	262%
Exchange Fluctuation Loss /(Gain) on Long Term Loans*	13	(4)	425%
Exceptional Expenditure / (Income) Net	-	11	-
ProDt/(Loss) before tax	(10)	(21)	52%
Profit/(Loss) after tax	(22)	(24)	8%
MSSL share after adjusting Minority Interest	(16)	(12)	-33%

*Excludes/represents foreign exchange fluctuations loss / (gain) on US\$ loans guaranteed by shareholders .

#As per financials prepared under Indian GAAPs for the purpose of consolidation.

- The Current year figures include the results for twelve months whereas previous year figures include the results from date of acquisition (November 23, 2011), hence not comparable.

The company has initiated series of actions post acquisition in an endeavor to turn around SMP into profitable venture. These includes streamlining of operations, restructuring of manufacturing facilities in stress, rationalization of cost at other facilities, upgrading of facilities and focus on removing inefficiencies from the system, integration of IT activities, sharing of best practices between all facilities, improving the operating cash flow, restructuring of management and identify opportunities for vertical Integration.

During first whole financial year 2012-13, SMP registered turnover of Euro 1,826 Mn and EBITDA of Euro 69 Mn. The growth is mainly supported by increase in revenue in Germany and China.

SMP is serving its customers in different geographies. Germany continued to be the major contributor in turnover with 48% share. Revenue contribution from other regions was Spain 33%, China 10%, Brazil 6% and Mexico 4%.

After acquisition of SMP, the Company has identified four hot spots incurring operational losses. The management has taken series of actions in terms of improving quality, cost rationalization and improving overall performance. As a result there is significant improvement in the performance of these plants.

The actions initiated post acquisition resulted in improvement of EBITDA % at 3.8% during 2012-13 in comparison with 1.32% during 2011-12. Adjusted PBT (i.e. before foreign exchange fluctuation on Long Term Loans) for the first year is positive at Euro 3 Mn.

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

Introduction: SMR is a subsidiary of Motherson Sumi Systems Ltd and specializes in the manufacturing of automotive mirrors. It has production facilities and engineering centers in 14 countries across the globe.

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

Financial Position:

Euro in Million

SMR – Consolidated [#]	2012-13	2011-12	% change
Net Fixed Assets	184	165	12%
Other Assets:			
- Inventory	96	81	19%
- Trade Receivables	153	133	15%
- Cash & Bank Balance	27	20	35%
- Other Assets	35	37	-5%
Total Assets	494	436	13%
Liabilities (other than Loans)	203	193	5%
Net Assets	291	243	20%
Source of Funding:			
Net Worth	96	78	23%
Reserve on Consolidation	20	20	-
Minority Interest	8	7	14%
	124	105	18%
Loans Outstanding:			
- Payable within one year	40	25	60%
- Short Term Loans	66	44	50%
- Long Term Loans	61	69	-10%
Total Loans	167	138	22%
Capital Expenditure (Net of disposals)	42	57	-26%

Performance in 2012-13:

Euro in Million

SMR – Consolidated [#]	2012-13	2011-12	Growth %
Sales	993	860	15%
PBIDT (*)	64	43	49%
Depreciation	27	21	29%
Exchange Fluctuation Loss /(Gain) on Long Term Loans	1	2	50%
Exceptional Expenditure / (Income) Net	-	-	-
PBT	29	15	93%
PAT	15	6	150%
MSSL share after adjusting Minority Interest	8	3	167%

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

#As per financials prepared under Indian GAAPs for the purpose of consolidation.

SMR's revenue registered growth of 15% at € 993 Mn for the fiscal year ended March 31, 2013 from € 860 Mn for the fiscal period ended March 31, 2012. There is significant increase in sales across all geographical locations as a result of launch of new customer programs. SMR sales in Europe has increased with ramp up of production at 2nd plant at Hungary

Europe is major contributor in turnover of the Company with 46%, and revenue contribution from other geographies was Asia Pacific 32% (including India 4.3%) and Americas 22%.

SMR profitability substantially improved with stabilization of operations at new facilities set up during previous year. SMR has delivered strong growth in EBITDA of 49% at Euro 64 Mn as compared to Euro 43 Mn during previous year. PBT has significantly increased by 93% at Euro 29 Mn in comparison with Euro 15 Mn during previous year. PAT has grown up by 150% at Euro 15 Mn as compared to Euro 6 Mn.

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 2012-13: The Company registered a healthy growth of 25% in revenues, Euro 35 Mn as compared to Euro 28 Mn in the previous year. The Company is able to expand its customer base in Europe and also ramp up supplies of wiring harness to various locations of SMR, accomplishing group strategic goal of vertical backward integration. In 2012-13, the Company supplied wiring harness of Euro 14.6 Mn to SMR (Previous year Euro 8.9 Mn). During employee morale building exercise MSSL Mideast succeeded to chronicle its name in "The Guinness Book of World Records", achieved in the categories of "Largest Hopping Race", "Largest High Five Chain", "Largest Barefoot Race" and "Most number of people wearing Paper Hat". With these four records the company has won eight records till date.

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 2012-13: During the year, the Company changed its accounting year end from December to March. The Company achieved revenue of GBP 15 Mn in fifteen months as compared to GBP 10 Mn

during the previous year and recorded a healthy growth.

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. The Company has been awarded with "Global Commerce Excellence" award from Sri Lankan Govt. for supporting the country during economic shut down with its performance in exports.

Certifications: ISO 9001:2008

Performance in 2012-13: MWL achieved revenue of US\$ 29 Mn as compared to US\$ 33 Mn of the previous year. In year 2012-13, the company distributed a total dividend of USD 5 Mn.

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 high quality plastic molded components, Injection Molded Precision Tool & Plastic Parts. The Company has also facilities for post molding operations and assembly. 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 2012-13: The Company achieved a growth in revenue by 9% to Euro 5.9 Mn in 2012-13, as compared to Euro 5.4 Mn 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 its major customers Continental Automotive Corporation and ZFLS.

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 2012-2013: During the year, the Company has changed its reporting period from December to March and reported figures for 15 months to align its financial with the parent company. The revenue of the Company remained flat at Euro 7 Mn as compared to the previous year Euro 6 Mn.

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 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 2012-13: During the year, the Company has changed its reporting period from December to March and reported figures for 15 months to align its financial with the parent company. The Company has generated revenue of Euro 12 Mn in fifteen months as compared to Euro 8 Mn during previous year and registered a healthy growth. In 2012-13, the Company supplied plastic components of Euro 3.3 Mn (Previous year Euro 0.7 Mn) to various locations of SMR. The Company has also started supplies to SMP and is identifying further opportunities for vertical integration. The Company has received "Q1" award letter from FORD for quality and continuous improvement in the products supplied.

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, Rosslyn, South Africa in the heart of Gauteng's automotive industry.

Area of Business & Industry Segment: The Company is manufacturing molded parts like Bumpers, Interior Trims and fully robotic paint shop for painting body colour matched parts for leading OEMs. The Company is expanding its base at South Africa by setting up new facility at Durban, South Africa for manufacturing of molded parts like bumpers, instrument panels and door trims for serving increasing customer base. The Company has estimated total project cost of ZAR 250 Mn (approx.) for Durban Plant for "Phase 1".

The automotive and components industry in South Africa is well placed for investment opportunities. Vehicle manufacturers such as Ford, BMW, Nissan, Toyota and Volkswagen have production plants in South Africa. Companies with production plants in South Africa are well placed to take advantage of the low production costs, coupled with access to new markets as a result of trade agreements with the European Union and the Southern African Development Community free trade area. 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.

Certifications: TS16949: 2009 and ISO 14001

Performance in 2012-13: The Company achieved strong momentum in sales in its second year of operations and registered a phenomenal growth of 106% in revenue at ZAR 225 Mn as compared to ZAR 109 Mn in previous year.

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 2012-13: The Company ramped up supplies and achieved revenue of JPY 1,810 Mn during year as compared to JPY 1,560 Mn in the previous year.

MSSL México, S.A. De C.V.

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

Area of Business & Industry Segment: MSSL has set 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.

Performance in 2012-13: The Company started commercial production during the second half of 2012-13. Mass production will start from 2013-14. The Company has contributed to the group revenue for MXN 6 Mn.

MSSL WH System (Thailand) Co.

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

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

Performance in 2012-13: In the first year of manufacturing, the company achieved a nominal turnover of THB 188k. The ramp up of production and supplies to customers will start from 2013-14. 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 Mn 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 2012-13: During the year, the Company changed its reporting period from December to March and reported figures for 15

months to align its financial with the parent company. The Company achieved a total turnover of Euro 1.9 Mn including service income in fifteen months as compared to Euro 2.5 Mn during previous year.

MOTHERSON ORCA PRECISION TECHNOLOGY GmbH

Introduction: The Company is a 95.1% subsidiary of Motherson Sumi Systems Ltd. and is located in Germany.

Area of Business & Industry Segment: The Company serves automobile and auto component manufacturers and tier 1 customers. The product range includes precision turned parts for fuel injection, fuel pump, emission controls, pressure sensors, air condition systems etc. The Company has ramp up production for New GHP 2 Project with Continental Roding during last quarter of 2012-13.

Certifications: ISO /TS 16949

Performance in 2012-13: During the year, the Company changed its reporting period from December to March and reported figures for 15 months to align its financial with the parent company. The Company achieved revenue of Euro 15 Mn in fifteen months as compared to Euro 14 Mn in the previous year. The Company is setting up new facility at Mexico for manufacturing machined parts to meet demand from existing customers. This would also open new growth opportunities and give the footprint in South America which is a large automotive market.

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.

During the year, MEPL expanded its existing rubber compounding business into rubber calendaring which is basically producing rubber sheets with exact thickness and width that is critical for few industries and operations.

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

Performance in 2012-13: During the year, the company achieved a turnover of AUD 22 Mn as compared to AUD 25 Mn in the previous year. There is marginal reduction in revenues on account of slowdown in demand from major customers. Market conditions are showing signs of slow recovery. The Company is focused on improving capacity utilization and build growth in other sectors like construction and public transport.

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 2012-13: During the year, the Company has changed its accounting year end from December to March. The revenue of the Company remains flat at AUD 1 Mn as compared to the last year. The company is foraying into new global 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.

Vacuform 2000 (Pty) Limited

Introduction: The Company is a 51% subsidiary of Motherson Sumi Systems 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 Vacuum-forming, thermo-formed products, polyurethane molded products and blow molded products majorly for automotive industry. The company supplies components to all the leading automotive OEMs present in the region. The Company is a BBBEE entity registered level 2 and enjoys benefits of preferential procurement, privileges and support from automotive, financial & other Institutions.

Certifications: TS16949: 2009 and ISO 14000

Performance in 2012-13: During the year, the Company has changed its accounting year end from June to March. The Company registered a strong growth in revenue by 173% and achieved revenue of ZAR 82 Mn as compared to ZAR 30 Mn in 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.

Area of Business & Industry Segment: The Company's principal activities consist of providing building on lease at UAE to group companies and receiving rental income for the same.

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 2012-13: During the year, the Company changed its accounting year end from December to March and reported figures for fifteen months. The Company achieved a turnover of Euro 0.4 Mn including service income in fifteen months as compared to Euro 0.3 Mn 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 MSSL Australia Pty Ltd., MSSL Japan, MSSL México, S.A. De C.V., MSSL WH System (Thailand) Co., Ltd and MSSL Korea WH Limited.

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 is a holding company and corporate office providing support to the Australian entities.

In year 2012-13, the company distributed a total dividend of AUD 2 Mn.

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. The Company is receiving rent income from one of the group company.

MSSL s.r.l. Unipersonale

Introduction: The Company is a 100% subsidiary of Motherson Sumi Systems Limited located at Pontedera, Italy. During the year, the Company changed its reporting period from December to March and reported figures for 15 months to align its financial with the parent company.

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), MSSL Ireland Pvt. Limited, Global Environment Management (FZC), Samvardhana Motherson Global Holdings Ltd., MSSL Global RSA Module Engineering Limited and Vacuform 2000 (Pty) Limited. During the year, the Company changed its accounting year end from December to March.

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 or otherwise consider for closure.

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

Figures ₹ in Million

	MSSL Holding	Capital Employed		Net Sales		Profit after tax		Capital Expenditure	
	2012-13	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Kyungshin Industrial Motherson Ltd.	50%	1,487	1,353	8,200	6,892	600	411	27	38
WOCO Motherson Ltd. (FZC)	33.33%	104	123	300	311	52	70	6	3
WOCO Motherson Elastomer Ltd.	33.33%	228	243	355	374	24	27	13	29
WOCO Motherson Advanced Rubber Technologies Ltd.	33.33%	375	341	641	578	122	113	16	34
Calsonic Kansei Motherson Auto Products Ltd.	49%	713	482	2,623	1,889	38	42	5	7
Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd.	50%*	1,684	1,150	4,125	2,252	215	121	41	51
Celulosa Fabril S.A. (include its 100% subsidiary Modulos Rivera Alta S.L.U.)	50%**	1,387	1,852	3,286	1,191	40	27	91	227

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

** Held by Company through its subsidiary Samvardhana Motherson Peguform (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 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 2012-13: KIML recorded a growth of 19% at turnover of Rs 8,200 Mn as compared to Rs 6,892 Mn in the previous year. KIML is 100% supplier of wiring harnesses to Hyundai Motors India Ltd. since the inception.

The company has been awarded "Hyundai Mobis-National top performer for Service Parts Supply" at Supplier Convention 2013 and "Quality Excellence" award for the year 2012 by Hyundai Motor India Ltd.

The Company's Quality Circle "Brammas" won 2nd prize at Q Quest 2013, 14th National Convention on Quality Management by AUTVS.

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, ISO 14001: 2004

Performance in 2012: WML achieved a turnover of Euro 4 Mn as compared to Euro 5 Mn in the previous year. In calendar year 2012, the company distributed a total dividend of Euro 1 Mn.

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. WMEL products cater to the automotive, industrial and the construction sector.

During the year the company achieved a successful start up of manufacturing of steering wheel damper for Maruti Suzuki India Ltd. and Nissan.

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

Performance in 2012-13: The Company recorded revenue of Rs 355 Mn as compared to Rs 374 Mn of the previous year. There is marginal reduction in revenues on account of slowdown in demand from major customers.

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 as well as thermoplastic elastomer parts primarily for automotive industry.

The company also added Radiator mount, Spring pad, Grommet to its manufacturing line during the year.

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

Performance in 2012-13: The revenue of the Company stands at ₹641 Mn as compared to Rs 578 Mn of the previous year.

The Company has three joint ventures with WOCO, Germany, the company is under discussion with the joint venture partner for long term plans and options available.

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 2012-13: The Company achieved revenue of Rs 2,623 Mn as against Rs 1,889 Mn in the previous year registering a strong growth of 39%. New facility has been set up at Manesar for body control modules for serving increasing customer base and demand. The Company has also started construction of new plant at Bawal, Haryana for manufacturing compressors, commercial production will start by end of this year and the amount of investment will be around ₹1,161 Mn. The Company will be supplying compressors to existing customer base and major OEMs.

INTERNAL CONTROL SYSTEMS

The Company has in place adequate systems of internal control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information,

complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance of corporate policies. The Company has appointed internal auditors to carry out both system and financial audit of the Company's activities. The audit findings are reviewed by the Audit Committee in their meetings on regular intervals, the details of which have been provided in the corporate governance report. Suggestions for improvement are considered and the Audit Committee follows up on corrective action. The Company has also identified various business risks and laid down the procedures for mitigation of same.

HUMAN RESOURCE

One of the most important, albeit undervalued, assets of a company is its human capital. It is the real fuel and energy behind a company's growth and success. The inherent diversity in terms of demographics, geographical background, skills, education and experience of its employees makes human capital a solid force to reckon with. Realizing the importance of this asset, MSSL places immense emphasis on nurturing and growing it.

Focusing on developing its employees has given MSSL a strong and diverse workforce over the years. The company places a lot of importance on hiring and retention of the best talent. Most organizations show signs of recognizing the importance of human capital but only at the highest levels. However, MSSL realizes the strength of its entire workforce and works towards tangible ways of nurturing and growing it. MSSL's in-house skill-based trainings, rewards & recognitions programs, succession planning, and fostering an environment of innovation and creativity go a long way in strengthening the performance and enhancing the competencies of its workforce. This also helps instill a sense of ownership and belongingness amongst the employees and also develops a stronger commitment towards the company's broader business objectives.

MSSL recognizes that measuring the effectiveness of its human capital as well as the strategic risks and rewards of a strong and competent workforce are imperative to gain a competitive edge and sustain long term growth.

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 Multi skilling 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. The winners in the annual Samvardhana Mother's Quality Circle

Convention were Vijay Quality Circle from MSSL. SMG has 515 quality circles operating within the Group, its subsidiaries and joint ventures. Quality Circle Teams of MSSL also participated in external competition and won accolades. It was a moment of pride when Navoday Quality Circle from SAKS Ancillaries Ltd. was adjudged as Winners in 9th Quality Circle Competition organized by Automotive Component Manufacturers Association of India (Northern Region) in New Delhi on 21st July'2012.

Quest Quality Circle from MSSL Bengaluru won Gold Award in the Bengaluru Chapter Convention of Quality Circles organized by Quality Circle Forum of India 2012 on Sunday, 30th September 2012 at Bengaluru. Quest Quality Circle was adjudged as 2nd Runners-up in the regional round QCC 2012-13 organized by Toyota Kirloskar Suppliers' Association on 15th October 2012. This circle also won the 'PAR EXCELLENCE AWARD' in the 26th NCQC competition, held on 19th December 2012 at Kanpur. Challenge Quality Circle (Sector 84, DTA) & Adarsh Quality Circle (Sector 84, EOU) won Gold Awards in Chapter Convention on Quality Concepts (CCQC-2012) organized by Quality Circle Forum of India on 6th October 2012. Sunrise Quality Circle of MSSL Noida was adjudged as "WINNERS" in HMSI Supplier's NH Circle Competition organized by Honda Motorcycle & Scooter India Pvt. Ltd. on 11th October 2012. Kirti Quality Circle from Noida C-14 was adjudged as Winner in Quality Circle Competition 2012-13 at Annual Suppliers Convention 2013 organized by Honda Cars India Ltd. on 30th March 2013.

10th Annual SMG South Zone Quality Circle Convention was organized on 1st March 2013 at SRM Hotel Management Auditorium, Chennai. MSSL Chennai hosted the competition. 18 teams from MSSL, MSEW, KIML, MAE, CKM & SMR participated. In this competition, 2nd Runner's up titles were grabbed by Quest of MSSL Bengaluru & Force of MSSL Chennai.

In AUTVS QQUEST 2012 events conducted by Anna University Quality forum held on 23rd February 2012 "C3" quality Circle from KIML won the 3rd Prize. In this competition 24 Quality Circle teams participated from different companies like LUCAS TVS, RANE, BRAKES INDIA, WHEELS INDIA, SRF, SFL etc.

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 120 facilities spread across 25 countries in five different continents and has strength of more than 52,000 employees at the close of the financial year 2012-13. 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)

Every workplace is strewn with its share of inherent risks that stem from various factors. Identifying and mitigating such risks is of prime importance at MSSL as it recognizes the financial impact as well as the long term business impact of workplace accidents. Environment, Health and Safety (EH &S) management is considered to be one of the most important parameters for MSSL's growth, profitability and long terms success and relationships. In addition to integrating its environmental concerns with its business policies, MSSL also lays immense emphasis on managing its employees' health and safety and considers it to be one of the most important measures of growth and corporate responsibility.

The overall responsibility of employee health and safety at MSSL rests with the Human Resources department. The HR team conducts EHS Program across the organization through formal safety trainings and workshops. The Program aims to educate the employees about the various safety programs and raise awareness about MSSL's health and safety policies. At the operational level though, departmental heads and supervisors ensure adequate safety and security in their respective departments and units, most of which are accredited with ISO 14001 certification. However, every employee at MSSL is committed to meeting the highest standards of corporate citizenship within the realms of the company's vision and Corporate Social Responsibility codes. As an organization, MSSL takes responsibility of managing its global environmental footprint as well as creating a positive impact on the communities where it does business.

To re-affirm its commitment towards EHS, MSSL observed a Safety Week from 4th March 2013 - 10th March 2013 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 to 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.

CORPORATE SOCIAL RESPONSIBILITY – CSR

Motherson Sumi Systems Limited is one of the largest auto ancillary companies across the globe. The company believes in carry out its corporate social responsibility in parts and where necessary. The target group is varied ranging from victims of natural disaster, to underprivileged children and children with special needs. The company's HR department facilitates volunteering activity as a link between employees and the community.

With the recent natural disaster in Uttarakhand, a state in India where millions lost their life to torrential rains and cloud burst which have triggered floods and landslides, the company has facilitated the involvement of the employees of the company to do their bit.

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. Donations of essential items from the company or through NGOs to the underprivileged takes place at regular intervals.

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.

OPPORTUNITIES AND FUTURE PROSPECTS

The global marketplace is showing signs of a slowdown and the automotive sector is facing increased downward pressures from issues such as rising input costs, labour problems, increasing auto finance rates, runaway inflation, soaring fuel costs, rising government debt and the Euro Zone crisis. Incidentally, this is also the perfect time for MSSL to invest in developing capabilities that allow it to achieve and sustain a leading position in various markets around the world.

With demand for vehicles declining in most mature markets, global automakers are turning their attention even more strongly towards

the expanding middle class in the BRICS (Brazil, Russia, India, China, South Africa) region, the new economic powerhouse. The automakers continue to shift their production facilities from high-cost regions such as North America and the European Union to lower-cost regions such as China, India and South America. According to a study by CSM Worldwide, China and South America together are projected to represent more than 50% of growth in global light vehicle production in the auto industry from 2008 to 2015.

India is uniquely positioned to become the new production base for the global automotive industry as it has large untapped automotive markets, a deep talent pool and low cost of production. The global automobile majors are looking to leverage India's cost-competitive manufacturing practices and are assessing opportunities to export SUVs to Europe, South Africa and Southeast Asia. India can emerge as a supply hub to feed the world demand for SUVs.

Car makers from across the world are planning to set up their manufacturing plants in India with huge investments in the future. The local supplier base is also well developed and quality conscious. This makes it an ideal export hub to other emerging markets including Africa, Eastern Europe, and South-East Asia as well as enables it to serve the domestic Asian markets.

Also, manufacturers are developing models that are designed keeping particularly Indian consumers in mind. A global ultra-luxury car maker plans to launch an exclusive 'India Edition' car in 2013. The Indian small and light commercial vehicle segment is expected to more than double by 2015-16 and grows at 18.5% CAGR over the next five years.

OEMs across the globe are eyeing India as it provides huge opportunities for both mature and emerging markets which have fundamentally different consumer needs and preferences, competitive dynamics, and economic returns.

In the last year MSSL has focused on building its capacities for growth. This year the Company will continue this strategy of expansion and continue to make investments in expanding and upgrading its facilities across the globe to cater to the changing and increased requirements of its customers. MSSL works very closely with its customers and the capabilities of the company are aligned to customer requirements. The aim is always to support all the requirements of the customers at all times.

MSSL has over 120 facilities spread across 25 countries. These include a network of manufacturing bases, design centers, logistics centers, marketing support and sourcing hubs across diversified geographical base. MSSL always aims to localize its production to achieve cost parity and to be near major customers across the world to build a strong logistics network. The philosophy of increasing content per car has a huge potential for the Company at all times to come.

Directors' Report

To the members,

Your Directors have the pleasure in presenting the 26th Annual Report together with the audited accounts of the Company for the financial year ended 31st March, 2013.

Financial Results

The summarized financial results for the year ended March 31, 2013 and for the previous year ended March 31, 2012 are as follows:

(₹ in Million)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2012
Gross Revenue from operations	47,676	38,879	258,788	151,381
Net Revenue from operations	43,041	35,718	253,124	147,766
Other Income	915	931	3,215	1,445
Profit before depreciation, interest and tax	8,485	6,115	17,982	10,370
Less: Depreciation	1,453	1,172	7,145	3,796
Less: Interest	535	598	2,495	1,649
Less: Exceptional Items	-	-	-	809
Profit Before Tax	6,497	4,345	8,350	4,118
Less: Provision for Tax	1,801	1,173	3,835	2,153
Less: Minority Interest	-	-	70	-631
Profit after tax	4,696	3,172	4,445	2,596
Add: Balance brought forward	4,785	3,098	8,120	7,072
Profit available for appropriation	9,481	6,270	12,565	9,668

OPERATIONS AND PERFORMANCE

On consolidated basis, your Company achieved total revenue of ₹ 253,124 Mn resulting in a growth of about 71.30% over its revenue of ₹ 147,766 Mn of the previous financial year ended March, 2012. Net profit for the year at ₹ 4,445 Mn was higher than 71.22% over the previous year's net profit of ₹ 2,596 Mn.

On standalone basis for the year 2012-13, your Company achieved total revenue of ₹ 43,041 Mn resulting in a growth of about 20.50% over its total revenue of ₹ 35,718 Mn of the previous financial year ended March, 2012. The profit after tax for the year ended March, 2013 at ₹ 4,696 Mn was higher than 48.05% from the previous financial year ended March, 2012 at ₹ 3,172 Mn.

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

SHARE CAPITAL

During the year, your Company has issued 195,982,080 equity shares of ₹ 1/- on account of the issue of Bonus Shares in the ratio of one share against two shares held.

After the allotment of Bonus Shares, the paid-up capital of the Company has been increased to ₹ 587,946,240/- divided into 587,946,240 equity shares of ₹ 1/- each.

DIVIDEND

Based on the Company's performance, the Directors have recommended payment of dividend of ₹ 2/- per share on the capital of 587,946,240 equity shares of ₹ 1/- each for the financial year ended March 31, 2013 (previous year ₹ 2.25 per share on the capital of 391,964,160 equity shares of ₹ 1/- each) to the equity shareholders. The dividend, if approved by the members would involve total cash outflow on account of dividend (including dividend tax) of ₹ 1376 Mn resulting in a payout of 29.3% of the standalone profits of the Company and 31% of the consolidated profits of the Company.

AWARDS & RECOGNITIONS

During the year, the Company received various awards and recognitions, some of which are given below:

Wiring Harness Division (WHD):

The division has been awarded with following appreciations by Customers during the year:

- MARUTI-SUZUKI has conferred the following awards :
 - "Overall Gold Award" for outstanding performance.
 - Shield for incoming quality improvement
 - Shield for VA-VE (Value Addition – Value Engineering)
 - Shield for Inner plant location
- WHD has received the 'Gold Award' in the category of Quality

and also got the award for being "Winner" in the "Quality Circle Competition 2012- 2013" from Honda Cars India Ltd.

- WHD has received "Award" and "Certificate of Excellence" for being the "Best Supplier Quality" for the year 2012-13 from General Electric.

Polymer Division (MATE) :

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

- MATE Noida received "Gold Award" for outstanding performance in the category of "Quality, Cost & Delivery " and first prize in "Kaizen Competition" from Honda Cars India Ltd.
- MATE received "Certificate of Appreciation" from Mahindra & Mahindra for best "Kaizens" & "Poka-yoke" in the category of quality.
- MATE Bangalore received Silver award for "Supplier of the year" and "Certification" for achieving targets in Quality, Cost & Delivery from Toyota Kirloskar Motor Limited.
- MATE Chennai Unit III received "Merit Award" for "Best Cooperation" from Hyundai Motor India Limited.
- MATE Manesar received award for "Timely Capacity Enhancement" and "Certification" in the category of "Safety" from Maruti Suzuki India Limited.

The Company has also been the winner of "Best activity in Quality month" host by the Toyota motors.

CREDIT RATING

The Company continues to enjoy "A1+" rating by ICRA for its commercial paper / short-term debt program of ₹ 1,500 Mn and working capital facilities of ₹ 6,000 Mn.

FIXED DEPOSITS

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

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company Maj. Gen. Amarjit Singh (Retd.) and Mr. Arjun Puri, Directors of the Company retire by rotation and being eligible, offer themselves for reappointment.

During the year Mr. S.C. Tripathi, IAS (Retd.), Mr. Satya Pal Talwar and Mr. Gautam Mukherjee have been appointed as Additional Directors of the Company w.e.f. September 10, 2012. Further Mr. Satya Pal Talwar has resigned from the Directorship of the Company w.e.f. May 23, 2013 on account of health reasons.

Mr. Yoshiki Kishimoto has also resigned from the Directorship of the Company w.e.f. October 16, 2012.

Your Directors while welcoming Mr. S.C. Tripathi, IAS (Retd.) and Mr. Gautam Mukherjee on the Board of the Company and placed on record, their appreciation for the valuable services rendered by

Mr. Yoshiki Kishimoto and Mr. Satya Pal Talwar during their tenure as a Director of the Company.

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

COST AUDITORS

Your Directors have appointed M/s. M.R. Vyas & Associates, Practicing Cost Accountants as Cost Auditor for auditing Cost Records of the Company for the financial year 2012-13 and 2013-14. The Cost Audit Report for the financial year 2012-13 will be filed in due course.

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 is discussed at length in the Management Discussion and Analysis Report.

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 ₹ 5,632 Mn as against ₹ 4,493 Mn 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 2013-14 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 other authorities.

The Directors also thank the Government of various countries, Government of India, State Governments in India and concerned Government Departments/Agencies for their cooperation.

Last but not the least the Board of Directors wish to thank all the stakeholders of the Company and the collaborator Sumitomo Wiring Systems Limited, Japan for its continuous support.

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

Place : Noida
Date : July 31, 2013

V. C. Sehgal
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.

- Non-conventional energy resources are tapped for minimizing energy usage for lighting for this we have installed wind mill, light Pipe or solar tube in some plants and most of the plants are on solar lights for security gate / areas lighting,
- Energy efficient T-5 lighting system are in use across all units,
- Timer controls for lighting in plant areas to save on power during rest / lunch times,
- Installation of auto switch-off timer for fans,
- Motion Sensors to optimise on Air Conditioners usage in Office & Conference rooms,
- Usage of LED lights in task lighting instead of conventional lights,
- Optimized Air cooling and air conditioned systems for the plant areas,
- Energy efficient air compressor systems,
- Daylight sensors on street lights for optimum usage,
- Close loop water cooling circuit for DG's instead of cooling towers for water & power conservation,
- Heat resistant building material is used along with provision of proper ventilation to minimize AC load in office areas,
- Water conservation measures to minimize water intake & consequent reduction in pumping extraction or direct water buying,
- New plants are designed to use natural day light to reduce the electricity consumption for illumination during the day time,

- In all new plants, rain water harvesting is being done,
- New Plants are completely worked out with LED lighting for General Plant areas thereby reducing overall lighting load demand by half,
- Use of recyclable material, and avoid building materials which involves tremendous use of energy while processing,
- Compounding mill has been shifted from chiller to cooling tower to reduce the refrigerated cooling electrical load.

b) Future Proposals for Consumption of Energy:

- Further reduction in lighting load is being worked out through energy efficient LED Task Lighting on machines.
- Replacement of T-5 lighting with Efficient LED Lighting systems with spatial control for General plant lighting is being worked out.
- Water Conservation through reuse of STP water after tertiary treatment for horticulture, Air cooling thereby reducing overall expenditure on extraction/pumping on annual basis.

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 : ₹ 60 Mn
- b) Revenue : ₹ 131 Mn
- c) Total : ₹ 191 Mn
- d) Total R&D expenditure is 0.44% of the turnover.

Technology absorption, adaptation and innovation

In order to enhance the injection molding technologies, the Company has been constantly innovating and adopting new technologies. In the recent past the Company has adopted standard methods for interfacing molds and machines all across molding plants, Cycle time reduction through innovative mold making and molding technologies.

The Company has designed and built SPM's including the ultrasonic welding systems, hotplate welding systems, Assembly machines for door handles, tail gates etc., punching machines, clinching machines, belt conveyors, nut insertion machines, pokayoke systems with integration vision cameras' etc.

The Company has also adopted and implemented the technology viz. Cryogenic pumping system to replace energy guzzling & high maintenance multistage high pressure compressors; Compressed air cooling system for internal cooling of blow moulded part to reduce the cycle time; Servo driven pumping system retrofits to save the energy consumption of injection / blow moulding machine; Injection moulding machine control retrofits to give a new lease of life / upgrading ageing moulding machine to bring in reliability; Robot control retrofits to give a new lease of life / upgrading ageing robots to bring in reliability & get them in par with latest control technology employed in world best robotic manufactures.

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 ₹ 5,632 Mn.

2. Total foreign exchange used and earned (₹ in Million)
 - a. Total Foreign exchange earned 6,332
 - b. Total Foreign exchange used 15,349

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

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

Place : Noida
Date : July 31, 2013

V. C. Sehgal
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

As on March 31, 2013, the Company has ten Directors. of which, nine are Non-executive Directors including five Independent Directors. The Composition of the Board is in conformity with Clause 49 of the Listing Agreements entered into with the Stock Exchanges. None of the Directors on the Board is Member of more than ten committees or Chairman of more than five committees across all the public companies as on March 31, 2013 for which confirmation have been obtained from the Directors.

The name and categories of Directors on the Board and number of Directorships and Committee Chairmanships/Memberships held by them in other public companies as on March 31, 2013 are given herein below. Other Directorships do not include alternate directorships, directorships of private limited companies, section 25 companies and of companies incorporated outside India. Chairmanships/Memberships of the Board committees include only Audit and Shareholders'/Investors' Grievance Committees.

Name of the Director	Executive/Non- executive/ Independent	Other Directorship (in Public Co.)	Committee Memberships	Committee Chairmanships
Mr. V.C. Sehgal	Non-executive Director *	10	5	1
Maj. Gen. Amarjit Singh (retd.)	Independent Director	1	3	2
Mr. S.C. Tripathi, IAS (retd.) #	Independent Director	8	8	1
Mr. S.P. Talwar #	Independent Director	10	9	2
Mr. Arjun Puri	Independent Director	1	1	-
Mr. Gautam Mukherjee #	Independent Director	1	1	-
Mr. Toshimi Shirakawa	Non-executive Director \$	1	1	-
Mr. Hideaki Ueshima	Non-executive Director \$	-	1	-
Mr. Laksh Vaaman Sehgal	Non-executive Director *	6	3	-
Mr. Pankaj Mital	Whole-time Director/ Chief Operating Officer *	2	2	-

* Nominee Directors of Samvardhana Motherson International Ltd. (SMIL), {formerly Samvardhana Motherson Finance Ltd.}

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

Appointed on 10th September, 2012. Further, Mr. S.P. Talwar has resigned from the directorship on 23.05.2013 on account of health reasons.

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/ yearly results and other items on the agenda.

The Board of Directors of the Company met six times during the financial year 2012-2013: (i) May 28, 2012 (ii) August 09, 2012 (iii) September 10, 2012 (iv) November 05, 2012 (v) November 6, 2012 and (vi) February 12, 2013.

The necessary quorum was present for all the meetings.

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

Name of the Director	No. of Board meetings attended	Attendance at last Annual General Meeting
Mr. V. C. Sehgal	6	Yes
Maj. Gen. Amarjit Singh (Retd.)	6	Yes
Mr. Arjun Puri	6	Yes
Mr. Toshimi Shirakawa	5	Yes
Mr. Hideaki Ueshima	6	Yes
Mr. Laksh Vaaman Sehgal	4	Yes
Mr. Pankaj Mital	6	Yes
Mr. S.C. Tripathi, IAS (Retd.)*	4	N.A.
Mr. S.P. Talwar*	2	N.A.
Mr. Gautam Mukherjee*	4	N.A.

* appointed as director w.e.f. 10.09.2012

The information regularly furnished 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.

REMUNERATION OF DIRECTORS

The Company pays remuneration by way of salary, benefits, perquisites and allowance to its Whole-time Director. Annual increment is decided by the Board within the salary scale approved by the members and is effective April 1, each year.

During the year 2012-13, the Company paid sitting fees of ₹20,000/- per meeting to its Independent Directors for attending meetings of the Board and meetings of committees of the Board. The members at the Extra-ordinary General Meeting of the Company held on March 18, 2013 have approved the payment of commission to the Non-executive Directors within the ceiling of 1% of the net profits of the Company as computed under the applicable provisions of the Act provided that the maximum amount of commission payable shall not exceed ₹10 (Ten) Mn per annum in any Financial Year. The said commission is decided each year by the Board of Directors and distributed amongst the Independent Directors on their contribution at the Board.

Details of the remuneration for the financial year ended March 31, 2013 are as follows:

- a. Non-executive (Independent Directors) :

Name of the Director	Commission (₹)	Sitting fee (₹)
Maj. Gen. Amarjit Singh (Retd.)	800,000	220,000
Mr. S.C.Tripathi, IAS (Retd.)	800,000	120,000
Mr. S.P. Talwar	800,000	60,000
Mr. Arjun Puri	800,000	200,000
Mr. Gautam Mukherjee	800,000	120,000

- b. Whole-time Director :

Name of the Director	Salary	Amount (₹)
Mr. Pankaj Mital	Basic salary including Bonus	7,563,672
	Benefits perquisites and allowances	1,780,269
	Total	9,343,941

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.

AUDIT COMMITTEE

The Audit Committee of the Company has been constituted in line with the provisions of Clause 49 of the Listing Agreements entered into with the Stock Exchanges read with Section 292A of the Companies Act, 1956.

The Audit Committee of the Company comprises the majority of Independent Directors. The members of the Audit Committee met six times during the financial year 2012-13 and the Committee reviewed the Internal Audit Report, 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 26, 2012 (ii) May 28, 2012 (iii) August 08, 2012 (iv) August 09, 2012 (v) November 05, 2012 and (vi) February 11, 2013.

The necessary quorum was present for all the meetings.

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

Name	Designation	Non-executive/ Independent	Committee meetings attended
Mr. S.C. Tripathi, IAS (Retd.) *	Chairman	Independent	2
Mr. S.P. Talwar *	Member	Independent	1
Mr. Gautam Mukherjee *	Member	Independent	2
Mr. Toshimi Shirakawa	Member	Non-executive	3
Maj. Gen. Amarjit Singh (Retd.) \$	Member	Independent	4
Mr. Arjun Puri \$	Member	Independent	4

* Inducted by the Board of Directors at their meeting held on 05.11.2012. Further Mr. S.P. Talwar has resigned from the directorship on 23.05.2013 on account of health reasons, accordingly he ceased from the member of the committee.

\$ Member of the Committee till 05.11.2012 and Maj. Gen. Amarjit Singh (Retd.) acted as Chairman of the Committee till date.

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.
- Discussion with internal auditors of any significant findings and follow-up thereon.
- To secure attendance of outside parties with relevant expertise, if it considers necessary.
- To seek information from any employee.

SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

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

Name	Designation	Executive/ Non-executive/ Independent
Maj. Gen. Amarjit Singh (Retd.)	Chairman	Independent
Mr. Hideaki Ueshima	Member	Non-executive
Mr. Pankaj Mital	Member	Executive

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

One meeting of the Shareholders'/ Investors' Grievance Committee was held during the year.

Share Transfer System

- All shares have been transferred and returned within stipulated time, 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 2012-2013 was 58,329 as compared to 77,547 during 2011-2012.
- As on March 31, 2013, there are no equity shares pending for transfer.

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

Mr. L.V. Sehgal : Chairman
Mr. Hideaki Ueshima : Member
Mr. Pankaj Mital : Member

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

INVESTOR RELATIONS

65 complaints relating to 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 seven days from the date in which they are lodged with the Company / RTA.

PARTICULARS OF THE PAST THREE AGMs

Annual General Meeting	Date	Time	Venue	Special Resolutions passed
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	-
25th	September 10, 2012	11:00 A.M.	FICCI Golden Jubilee Auditorium, New Delhi	-

- During the year under review, an Extra-ordinary General Meeting of the Company was held on 18th March, 2013 and the following Special Resolutions were passed:

- Enhancement of limit of holding of Foreign Institutional Investors (FIIs) holders
- Payment of Commission to Directors other than Whole-time Directors

- During the year under review, the Company has passed following Special Resolutions through Postal Ballot as required under the Companies (passing of Resolution by Postal Ballot) Rules, 2011:

- Investment in the joint venture / subsidiary 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

Mr. D.P. Gupta, Company Secretary in whole-time practice was the scrutinizer for conducting the postal ballot. The Special Resolution was passed by overwhelming majority.

- The following Special Resolution is proposed to be conducted through Postal Ballot: N.A.

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. 46 to the standalone financial statements of the Company included in the Annual Report.
- No penalties or strictures were imposed by SEBI or the Stock Exchange.
- All mandatory requirements have been complied with.

MEANS OF COMMUNICATION

The quarterly, half-yearly and annual results of the Company are published in leading newspapers in India which include The Economic Times, The Times of India and Nav Bharat Times. The results are also displayed on the Company's website www.motherson.com. Press Release made by the Company from time to time are also displayed on the Company's website. Presentations made after the declaration of the quarterly, half-yearly and annual results are also displayed on the Company's website.

Management Discussion and Analysis report forms a part of the Annual Report.

SHAREHOLDERS' INFORMATION

1. Annual General Meeting (AGM) to be held

- Date : 31.08.2013
- Day : Saturday
- Time : 3:30 P.M.
- Venue : FICCI Golden Jubilee Auditorium, Tansen Marg, New Delhi -110001

As required under Clause 49(IV)(G)(i) of the Listing Agreements entered into with the Stock Exchanges, particulars of Directors seeking appointment/re-appointment at the forthcoming AGM are given in the Annexure to the Notice of the AGM to be held on August 31, 2013.

2. Financial Calendar (tentative and subject to change)

- Financial reporting for the first quarter ending June 30, 2013: July, 2013
- Financial reporting for the second quarter ending September 30, 2013: October 2013
- Financial reporting for the third quarter ending December 31, 2013: January, 2014
- Financial results for the year ending March 31, 2014: May, 2014

3. **Book Closure date** : 23.08.2013 to 27.08.2013
(both days inclusive)

4. **Dividend payment date** : on or after 31.08.2013

5. **Listing on stock exchanges :**

- Equity shares

BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street
Mumbai
Code: 517334

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

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

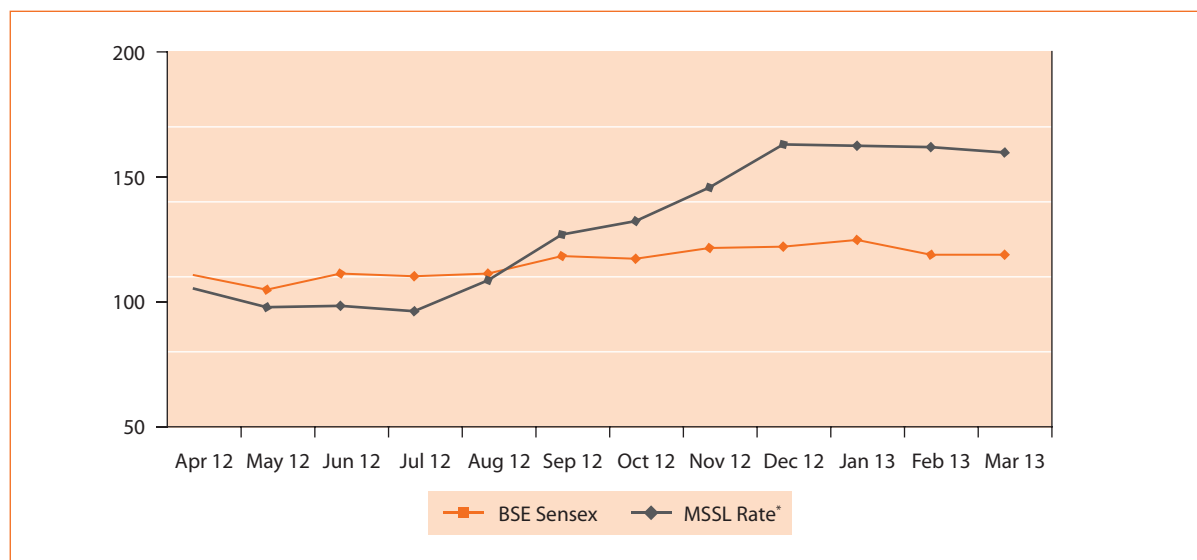
Ahmedabad Stock Exchange
Kamdheni Complex,
Near Polytechnic Panjara Pole, Ahmedabad

6. **Market price data**

Month	BSE Limited		National Stock Exchange of India	
	High	Low	High	Low
April 2012	202.70	176.00	203.00	175.50
May 2012	182.50	155.05	182.95	157.10
June 2012	168.30	156.05	170.00	155.50
July 2012	174.40	158.70	174.50	158.30
August 2012	190.80	156.00	191.00	155.20
September 2012	226.65	180.00	226.00	181.00
October 2012 *	233.95	145.00	234.00	145.60
November 2012	180.00	152.60	180.00	152.00
December 2012	208.00	171.00	207.90	170.35
January 2013	204.00	193.25	204.20	193.50
February 2013	209.40	177.30	209.40	178.10
March 2013	212.75	188.20	213.20	170.05

* Price from October 3, 2012 is Ex-Bonus.

7. **Performance in comparison to broad based indices**



Base 100= April, 2012

*Adjusted for 1:2 Bonus. The share has been trading Ex-Bonus on the Stock Exchanges w.e.f. October 3, 2012

8. Shareholding Pattern of the Company as on 31.03.2013

Category	No. of shares held	% of shareholding
Indian Promoters	234,775,120	39.93
Foreign Promoters	150,869,084	25.66
Financial Institutions, Mutual Funds & Banks	56,246,228	9.57
Foreign Institutional Investors	89,323,665	15.19
Bodies Corporate	21,968,195	3.74
General Public (Individuals)	33,942,008	5.77
NRIs/ Trusts	653,855	0.11
Clearing Members*	168,085	0.03
Total	587,946,240	100.00

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

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. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2013

Range	No. of shareholders	% of shareholders to total	No. of shares	% of shares to total
1 – 5000	15,485	90.16	7,543,063	1.28
5001 – 10000	1,036	6.03	7,403,157	1.26
10001 – 20000	231	1.34	3,133,219	0.53
20001 – 30000	76	0.45	1,877,991	0.32
30001 – 40000	45	0.26	1,579,537	0.27
40001 – 50000	32	0.19	1,434,972	0.24
50001 – 100000	59	0.34	4,433,879	0.76
100001 and above	211	1.23	560,540,422	95.34
TOTAL	17,175	100.00	587,946,240	100.00

11. 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

12. PLANT LOCATIONS :

Noida (Uttar Pradesh)	Haldwani (Uttarakhand)
Lucknow (Uttar Pradesh)	Faridabad (Haryana)
Gurgaon (Haryana)	Manesar (Haryana)
Pune (Maharashtra)	Kandla (Gujarat)

Pathredi (Rajasthan)	Tapukara (Rajasthan)
Bangaluru (Karnataka)	Chennai (Tamilnadu)
Pondicherry	

Representative OG ce(s)

Sharjah
 Germany

13. INVESTORS' CORRESPONDENCE MAY BE ADDRESSED TO:

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

The above Report has been placed before the Board at its meeting held on July 31, 2013 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 ended March 31, 2013 received from the Board of Directors and Senior Management a declaration of compliance with the Code of Conduct.

For **Motherson Sumi Systems Limited**

Date: July 31, 2013
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, 2013, 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.

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

For Price Waterhouse
Firm Registration No. 012754N
Chartered Accountants

Date: July 31, 2013
Place: Noida

Anupam Dhawan
Partner
Membership Number 084451

Independent Auditors' Report

To the Members of Motherson Sumi Systems Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Motherson Sumi Systems Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of 'the Companies Act, 1956' of India (the "Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013 ;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), 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.
8. As required by section 227(3) of the Act, 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 purpose 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 and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
 - (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 and with the returns received from branches not visited by us ;
 - (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 balance sheet date, and taken on record by the Board of Directors, none of the directors is disqualified as on balance sheet date, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Price Waterhouse
Firm Registration Number: 012754N
Chartered Accountants

Anupam Dhawan

Partner

Place: Noida
Date : May 17, 2013

Membership Number 084451

Annexure to Independent Auditors' Report

Referred to in paragraph 7 of the Independent 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, 2013

- i. (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 have been noticed on such verification.
- (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- ii. (a) The inventory excluding stocks with third parties has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. (a) The Company has granted unsecured loans, to one 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 ₹ 200 million and ₹ 150 million, 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 loans, the parties are repaying the principal amounts, as stipulated, and are 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. Therefore, the provisions of Clause 4(iii) [(f) and (g)] of the said Order in respect of loans taken are not applicable to the Company.
- iv. 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.
- v. (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (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.
- vi. 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.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. 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.
- ix. (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, there are no dues of wealth-tax and customs duty which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax and excise duty as at March 31, 2013 which have not been deposited on account of a dispute, are as follows

Name of the statute	Nature of dues	Amount (in ₹ million)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Central Excise	0.019	2000-01 to 2003-04	Supreme Court of India
Central Excise Act, 1944	Central Excise	1.435	2000-01 to 2001-02	Customs, Excise and Service Tax Appellate Tribunal, Delhi
Central Excise Act, 1944	Central Excise	22.49	2005-06 to 2008-09	Customs, Excise and Service Tax Appellate Tribunal, Noida
UP Tax on Entry of Goods Rules, 1999	Entry Tax	3.37	1999-00 to 2001-02	Hon'ble High Court, Allahabad
Central Excise Act, 1944	Central Excise	0.68	2003-04 & 2005-06	Customs, Excise and Service Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	0.562	AY 2002-03	Income Tax Appellate Tribunal
UP Trade Tax Act	Sales Tax	10.083	2003-2004	Supreme Court
UP Trade Tax Act, 1948	Sales Tax	0.484	2006-07	Additional Commissioner (Appeals)
UP Trade Tax Act, 1948	Sales Tax	0.24	2006-07	Additional Commissioner (Appeals)
Central Excise Act, 1944	Service Tax	3.275	2002-03 and 2003-04	Commissioner of Central Excise (Appeals), Noida
Central Excise Act, 1944	Service Tax	0.385	2007-08 to 2010-11	Customs, Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Service Tax	1.60	1999-00 to 2001-02	Hon'ble High Court, Allahabad
Central Excise Act, 1944	Service Tax	2.62	2007-2009	Commissioner of Central Excise (Appeals)
Central Excise Act, 1944	Service Tax	5.088	2002-2003	Commissioner of Central Excise
Central Excise Act, 1944	Service Tax	2.41	2007-09	Commissioner of Central Excise (Appeals)
UP Trade Tax Act	Value Added Tax	0.052	2010-11	Additional Commissioner (Appeals), Noida
Karnataka VAT Act, 2003	Value Added Tax	0.720	2007-08	Joint Commissioner (Corporate Circle), Commercial Tax Department, Bangalore
UP Trade Tax Act	Value Added Tax	14.536	2007-08	Joint Commissioner (Corporate Circle), Commercial Tax Department, Noida
UP Trade Tax Act	Value Added Tax & CST	9.869	2008-09	Joint Commissioner (Corporate Circle), Commercial Tax Department, Noida
UP Trade Tax Act	Value Added Tax & Sales Tax	12.457	2009-2010	Joint Commissioner (Corporate Circle), Commercial Tax Department, Noida

- x. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi. 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.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company
- xiii. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- xv. 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.
- xvi. In our opinion, and according to the information and explanations given to us, except for the unutilized proceeds of term loans, to the extent of ₹500 million, that were obtained for capital expenditure but held in fixed deposit with banks at the year end, the term loans have been applied for the purposes for which they were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
- xviii. 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. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- xxi. 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 material 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
Partner

Noida
May 17, 2013

Membership Number 084451

Balance Sheet

(All amounts in ₹ Million, unless otherwise stated)

	Note	As At March 31, 2013	As At March 31, 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	588	388
Reserves and surplus	4	15,652	12,463
		16,240	12,851
Share Capital Suspense Account	5	-	4
Non Current Liabilities			
Long term borrowings	6	5,095	4,399
Deferred tax liabilities (Net)	7	177	214
Other long-term liabilities	8	152	156
Long term provisions	9	147	94
		5,571	4,863
Current Liabilities			
Short term borrowings	10	3,263	4,273
Trade payables	11	4,778	4,553
Other current liabilities	12	2,341	2,102
Short term provisions	13	2,211	1,624
		12,593	12,552
TOTAL EQUITY AND LIABILITIES		34,404	30,270
ASSETS			
Non Current Assets			
Fixed assets	14		
Tangible assets		14,166	12,164
Intangible assets		30	13
Capital work in progress		861	1,242
Intangible assets under development		-	13
Non current investments	15	5,132	3,704
Long term loans and advances	16	802	803
Other non-current assets	17	9	19
		21,000	17,958
Current Assets			
Current investments*	18	0	0
Inventories	19	5,420	4,652
Trade receivables	20	5,464	5,428
Cash and bank balances	21	658	202
Short term loans and advances	22	1,862	2,030
		13,404	12,312
TOTAL ASSETS		34,404	30,270
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

V.C. SEHGAL
Chairman

HIDEAKI UESHIMA
Director

PANKAJ MITAL
Chief Operating Officer

ANUPAM DHAWAN
Partner
M.No.: 084451
Place: Noida
Date : May 17, 2013

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, 2013	For the Year Ended March 31, 2012
REVENUE			
Revenue from Operations (gross)		47,676	38,879
Less: Excise Duty		4,635	3,161
Revenue from Operations (net)	23	43,041	35,718
Other Income	24	915	931
TOTAL REVENUE		43,956	36,649
EXPENDITURE			
Cost of materials consumed	25	24,839	20,728
Purchase of stock-in-trade		1,007	891
Changes in Inventories of finished goods and work-in-progress	26	(549)	(103)
Employee benefits expense	27	4,392	3,454
Other expenses	28	5,782	5,564
		35,471	30,534
Pro: t Before Interest and depreciation		8,485	6,115
Finance costs	29	535	598
Pro: t for the Year before depreciation		7,950	5,517
Depreciation and Amortization Expense	30	1,453	1,172
Pro: t Before Tax		6,497	4,345
Tax Expenses			
- Current tax		1,858	1,196
- Deferred tax expense / (credit)		(37)	(15)
- Income Tax for earlier years		(20)	(8)
Pro: t for the year		4,696	3,172
Earnings per share (Refer Note. 44)			
Nominal value per share : ₹ 1 (Previous year : ₹ 1)			
Basic: ₹ per share		7.99	5.39
Diluted: ₹ per share		7.99	5.39
Summary of Significant Accounting Policies	2		

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

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

ANUPAM DHAWAN
Partner
M.No.: 084451
Place: Noida
Date : May 17, 2013

The notes are an integral part of these financial statements

For and on behalf of the Board

V.C. SEHGAL
Chairman

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

HIDEAKI UESHIMA
Director

PANKAJ MITAL
Chief Operating Officer

Cash Flow Statement

(All amounts in ₹ Million, unless otherwise stated)

	For the Year Ended March 31, 2013	For the Year Ended March 31, 2012
A. Cash flow from operating activities:		
Net (loss)/profit before tax but after exceptional/extraordinary items	6,497	4,345
Adjustments for:		
Depreciation expense	1,437	1,168
Amortisation expense	16	4
Profit on sale of tangible assets (net)	(45)	(21)
Liabilities no longer required written back	(36)	(43)
Bad debts/advances written off	11	8
Diminution in value of current investment*	0	0
Provision for gratuity & compensated absences	126	265
Provision for warranty	(7)	9
Interest income	(50)	(50)
Dividend income	(680)	(716)
Interest expenditure	535	598
Unrealised net loss on foreign currency translation	303	557
Operating profit before working capital changes	8,106	6,124
Change in working Capital:		
Increase/(Decrease) in Trade Payables	273	478
Increase/(Decrease) in Other Payables	(6)	(149)
(Increase)/Decrease in Trade Receivables	(100)	(1,514)
(Increase)/Decrease in Inventories	(769)	(8)
(Increase)/Decrease in Other Receivables	116	120
Cash generated from operations	7,620	5,051
- Taxes (Paid) / Received (Net of TDS)	(1,620)	(760)
Net cash generated from operations before extraordinary items	6,000	4,291
Net cash generated from operating activities	6,000	4,291
B. Cash flow from Investing activities:		
Purchase of tangible / intangible assets	(3,182)	(3,673)
Sale of tangible assets	93	48
Purchase of long term investments	(1,209)	(419)
Loan to related parties	41	(105)
Interest received (revenue)	52	49
Dividend received from subsidiaries	297	465
Dividend received from other investments	349	200
Net cash used in investing activities	(3,559)	(3,435)

(All amounts in ₹ Million, unless otherwise stated)

	For the Year Ended March 31, 2013	For the Year Ended March 31, 2012
C. Cash flow from financing activities:		
Dividend paid	(889)	(1,063)
Dividend distribution tax	(144)	(174)
Interest paid	(534)	(587)
Proceeds from long term borrowings	1,307	1,147
Proceeds from working capital and other loans repayable on demand (net)	(346)	(1,072)
Proceeds from other short term borrowings	1,800	6,813
Repayment of long term borrowings	(731)	(505)
Repayment of other short term borrowings	(2,467)	(5,517)
Proceeds from share allotment	-	(100)
Proceeds from Government subsidy	16	-
Net cash used in financing activities	(1,988)	(1,058)
Net Increase/(Decrease) in Cash & Cash Equivalents	453	(202)
Net Cash and Cash equivalents at the beginning of the year	191	350
Cash and cash equivalents as at April 1, 2011 - addition on amalgamation	-	43
Cash and cash equivalents as at current year closing	644	191
Cash and cash equivalents comprise		
Cash on hand	13	11
Cheques / drafts on hand	22	6
Balances with banks	608	174
Cash and cash equivalents as per Balance Sheet	643	191
Effect of exchange differences on balances with banks in foreign currency*	1	(0)
Total	644	191

(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.: 084451

Place: Noida
Date : May 17, 2013

V.C. SEHGAL
Chairman

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

HIDEAKI UESHIMA
Director

PANKAJ MITAL
Chief Operating Officer

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

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, Ahmadabad Stock Exchange and Delhi Stock Exchange. The Company is a joint venture entity between Samvardhana Motherson International Limited 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 Early adoption of Accounting Standard 30 from this year

During the year, the Company has adopted the principles of Accounting Standard 30, Financial Instruments: Measurement and Recognition, in respect of accounting for derivative contracts at fair value in the Statement of Profit and Loss to the extent they do not conflict with the requirements of the existing accounting standards notified under u/s 211(3C) of the Companies Act, 1956 and/or other regulatory requirements.

Consequently, in respect of the various swap contracts entered by the Company to hedge its liability in respect of outstanding foreign currency loans, the Company has decided during the year to discontinue with the existing policy of recognising the foreign currency loan at the swap rate and change the policy to account for the exchange differences on foreign currency loan under Accounting Standard 11 and Mark to Market (MTM) the swap contracts in accordance with Accounting Standard 30, Financial Instruments: Measurement and Recognition, which allows recognition of both mark to market gain and losses.

Had the Company followed the accounting policy, hitherto followed in relation to loan and swap contracts, profit before tax for the year ended March 31, 2013, current assets and consequently the balance in the profit and loss account as at March 31, 2013 would have been lower by ₹49 Mn.

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 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 expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

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:

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

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	33.33
Software	33.33

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.

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

2.7 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.

Investment Property

Investment in Land & Buildings that are not intended to be occupied immediately 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 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.

2.9 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.

2.10 Derivative Transactions

The Company has adopted the principles of Accounting Standard 30, Financial Instruments: Measurement and Recognition, in respect of accounting for derivative contracts at fair value in the Statement of Profit and Loss to the extent they do not conflict with the requirements of the existing accounting standards notified under section 211(3C) of the Companies Act, 1956 and/or other regulatory requirements. Accordingly, these contracts are marked to market and corresponding gain or loss is accounted for in the Statement of Profit and Loss.

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

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 licences is recognized on an accrual basis.

Dividend

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

2.13 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 end 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 end 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.

2.14 Government grants

Government grants are recognized 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. Government grants that are given with reference to total capital outlay are credited to capital reserve and treated as a part of shareholders' funds.

2.15 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.

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

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.

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.

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.

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

2.18 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".

2.19 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.

2.20 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.

	As At March 31, 2013	As At March 31, 2012
Note 3 - SHARE CAPITAL		
Authorised		
2,873,000,000 Equity shares of ₹ 1/- each (Previous Year 2,873,000,000 Equity Shares of ₹ 1/- each)	2,873	2,873
25,000,000 8% Convertible Cumulative Preference Shares of ₹ 10/- each (Previous Year 25,000,000 Preference Shares of ₹ 10/- each)	250	250
Issued		
587,949,440 ¹ Equity Shares of ₹ 1/- each (Previous Year 387,547,000 Equity Shares of ₹ 1/- each)	588	388
Subscribed and Paid up		
587,946,240 ¹ Equity Shares of ₹ 1/- each (Previous Year 387,543,800 Equity Shares of ₹ 1/- each)	588	388
TOTAL	588	388

¹During the year the Company has made allotment of 195,982,080 equity shares of ₹ 1/- each as bonus shares in proportion of one equity share for every two equity shares.

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

a. Reconciliation of number of shares

Equity Shares:	As at March 31, 2013		As at March 31, 2012	
	Nos.	Amount	Nos.	Amount
Balance as at the beginning of the year	387,543,800	388	387,543,800	388
Add: Shares issued to the shareholders of erstwhile Sumi Motherson Innovative Engineering Limited (SMIEL) merged with the Company w.e.f. April 1, 2011, pursuant to the Scheme of Amalgamation. (Refer Note. 36)	4,420,360	4	-	-
Add: Bonus Shares issued during the year by capitalisation of Securities Premium Account.	195,982,080	196	-	-
Balance as at the end of the year	587,946,240	588	387,543,800	388

Preference Shares:	As at March 31, 2013		As at March 31, 2012	
	Nos.	Amount	Nos.	Amount
Balance as at the beginning of the year	-	-	-	-
Add :Preference shares of erstwhile SMIEL pursuant to the scheme of amalgamation	-	-	1,000,000	100
Less : Redeemed during the year	-	-	1,000,000	100
Balance at the end of the year	-	-	-	-

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. Aggregate number of Shares allotted as fully paid up by way of bonus shares during 5 years immediately preceding March 31, 2013

	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009
Equity shares allotted as fully paid bonus shares by capitalization of securities premium	313,426,680	117,444,600	117,444,600	117,444,600	117,444,600

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

	March 31, 2013		March 31, 2012	
	Number	%	Number	%
Equity shares				
Samvardhana Motherson International Limited (formerly Samvardhana Motherson Finance Limited)	212,354,376	36.12%	140,858,015	36.35%
Sumitomo Wiring Systems Limited	148,675,903	25.29%	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 ownership of shares.

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

	As at March 31, 2013		As at March 31, 2012	
	Amount	Amount	Amount	Amount
Note 4 - RESERVES & SURPLUS				
Revaluation Reserve				
Balance as at the beginning of the year	96		20	
Addition on Amalgamation ¹	-		76	
Balance as at the end of the year		96		96
Reserve on Amalgamation				
Balance as at the beginning of the year	1,663		1,242	
Addition on Amalgamation ¹	-		421	
Balance as at the end of the year		1,663		1,663
Securities Premium Account				
Balance as at the beginning of the year	3,566		3,566	
Deletion during the Year ²	(196)		-	
Balance as at the end of the year		3,370		3,566
General Reserve				
Balance as at the beginning of the year	2,203		1,789	
Transfer from Statement of Profit and Loss	500		450	
Additions on Amalgamation ¹	-		64	
Deletions during the year ³	-		(100)	
Balance as at the end of the year		2,703		2,203
Surplus in Statement of Profit & Loss				
Balance as at the beginning of the year	4,785		3,097	
Profit for the year	4,696		3,172	
Transfer to General Reserve	(500)		(450)	
Additions on Amalgamation ¹	-		1	
Proposed dividend	(1,176)		(890)	
Tax on dividend	(200)		(145)	
Balance as at the end of the year		7,605		4,785
Capital Redemption Reserve				
Balance as at the beginning of the year	150		-	
Additions during the year ³	-		100	
Additions on Amalgamation ¹	-		50	
Balance as at the end of the year		150		150
Capital Reserve				
Balance as at the beginning of the year	-		-	
Additions during the year ⁴	65		-	
Balance as at the end of the year		65		-
TOTAL		15,652		12,463

¹ Refer Note 36

² During the year the Company has made allotment of 195,982,080 equity shares of ₹ 1/- each as bonus shares by capitalisation of Securities Premium Account.

³ On redemption of 8% Convertible Cumulative Preference Shares of erstwhile Sumi Motherson Innovative Engineering Limited (SMIEL).

⁴ Being industrial promotion subsidy under Pacakge Scheme of Incentives 2007 in respect of unit at Pune, recognised during the year in accordance with Accounting Standard 12.

Brackets denotes appropriations/deductions.

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2013	As At March 31, 2012
Note 5 - SHARE CAPITAL SUSPENSE ACCOUNT		
Nil Equity shares (Previous Year 4,420,360) 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. 36)	–	4
TOTAL	–	4

	Non Current Portion		Current Maturities	
	As At March 31, 2013	As At March 31, 2012	As At March 31, 2013	As At March 31, 2012
Note 6 - LONG TERM BORROWINGS				
Secured				
Term loans				
– Foreign currency Loan from banks	3,983	3,345	902	713
– Indian rupee loan from other than banks	26	37	13	12
Unsecured				
Term loans				
– Foreign currency Loan from banks	1,086	1,017	–	–
Less : disclosed under Other Current Liabilities (Refer Note 12)			915	725
TOTAL	5,095	4,399	–	–

a) Secured Loans

1) Nature of Security (In case of Secured Loans)	Terms of Repayment
Foreign Currency Loans from bank are 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.	<p>1) ₹ 210 Mn is repayable in 2 half yearly installments till March 2014. (Previous year : ₹ 409 Mn)</p> <p>2) ₹ 542 Mn is repayable in 5 half yearly installments till July 2015 (Previous year : ₹ 712 Mn)</p> <p>3) ₹ 340 Mn is repayable in 10 quarterly installments till September 2015 (Previous year : ₹ 445 Mn)</p> <p>4) ₹ 373 Mn is repayable in 11 quarterly installments till December 2015 (Previous year : ₹ 457 Mn)</p> <p>5) ₹ 1,357 Mn is repayable in 10 half yearly installments starting from February 2014 till August 2018. (Previous Year : ₹ 1272 Mn)</p> <p>6) ₹ 760 Mn is repayable in 10 half yearly installments starting from August 2012 till February 2018. (Previous Year : ₹ 763 Mn)</p> <p>7) ₹ 326 Mn is repayable in 8 half yearly installments starting from February 2014 till August 2017. (Previous Year : ₹ Nil)</p> <p>8) ₹ 977 Mn is repayable in 4 half yearly installments starting from March 2017 till September 2018. (Previous Year : ₹ Nil)</p> <p>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 9 % in respect of loans hedged for swap contracts.</p>
Rupee loan amounting to ₹ 37 Mn (Previous year : ₹ 47 Mn) from other than banks is secured against land acquired from Noida Authority under the installment plan.	Repayable in 6 half yearly installments till December 2015 carrying interest @11% p.a.
Rupee loan amounting to ₹ 2 Mn (Previous year : ₹ 2 Mn) from other than banks is secured against the vehicles purchased against such loan.	Fully repayable in 2013-2014 carrying interest @8.5%

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

b) Unsecured Loans

Particulars	Terms of Repayment
The Company has given a negative lien on the assets purchased out of the said facility	₹ 1,086 Mn repayable in 3 yearly installments starting January 2015 till January 2017 (Previous year ₹ 1,017 Mn)

- c) In respect of long term borrowings aggregating ₹ 1,520 Mn (Previous Year ₹ 4,312 Mn), in respect of which certain financial ratio covenants were not met, the Company has obtained the requisite waivers from the bank.

	As At March 31, 2013	As At March 31, 2012
Note 7 - DEFERRED TAX LIABILITIES (NET)		
Deferred tax Liabilities		
Depreciation		
Opening Balance	247	247
Addition consequent to amalgamation ¹	–	14
Increase/(Decrease) during the year	3	(14)
Closing Balance	250	247
Deferred tax assets		
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	33	22
Addition consequent to amalgamation ¹	–	10
Increase/(Decrease) during the year	40	1
Closing Balance	73	33
TOTAL	177	214

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 Refer Note 36

	As At March 31, 2013	As At March 31, 2012
Note 8 - OTHER LONG TERM LIABILITIES		
Trade Payables (including acceptances)		
Due to micro and small enterprises (Refer Note 35)	–	–
Others	10	10
Others		
Retention Money	27	21
Security deposits received	75	84
Advance recovery from employees	40	41
TOTAL	152	156

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2013	As At March 31, 2012
Note 9 - LONG TERM PROVISIONS		
Provision for employee benefits		
Provision for compensated absences (Refer Note 27)	147	94
TOTAL	147	94

	As At March 31, 2013	As At March 31, 2012
Note 10 - SHORT TERM BORROWINGS		
Secured		
Working Capital Loans ¹		
Repayable on demand- from banks		
Indian rupee loan	368	867
Other Short Term Loans -from Bank		
Indian rupee loan	1,761	1,762
Foreign currency loan	706	765
Unsecured		
Loans from banks		
Indian rupee loan	418	834
Other Loans-repayable on demand		
Indian rupee Loan from a related party	10	45
TOTAL	3,263	4,273

¹ Working capital loans are secured by first pari passu charge on entire current assets of the Company including receivables, both present and future and second pari passu charge over the fixed assets of the Company including equitable mortgage of specified properties.

	As At March 31, 2013	As At March 31, 2012
Note 11 - TRADE PAYABLES		
Trade Payables		
Due to micro and small enterprises (Refer Note 35)	54	14
Others	4,724	4,539
TOTAL	4,778	4,553

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2013	As At March 31, 2012
Note 12 - OTHER CURRENT LIABILITIES		
Other current liabilities		
Current maturities of long term debt (Refer Note 6)	915	725
Interest accrued but not due on borrowings	22	22
Unpaid dividends (Refer note (a) below)	11	10
Employee Benefit Payable		
Salaries and other benefits	377	331
Statutory dues payable	345	322
Advances received from customers	643	663
Security Deposit Received	2	6
Advance recovery from employees	26	23
TOTAL	2,341	2,102

- (a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.

	As At March 31, 2013	As At March 31, 2012
Note 13 - SHORT TERM PROVISIONS		
Provision for employee benefits (Refer Note 27)		
Provision for gratuity	93	31
Provision for compensated absences	35	25
Other Provisions		
Provision for warranties (Refer Note 45)	4	11
Provision for litigations (Refer Note 45)	20	20
Provision for dividend on equity shares	1,176	882
Provision for dividend on preference shares	-	8
Provision for dividend tax on equity shares	200	144
Provision for dividend tax on preference shares	-	1
Provision for income tax (Net)	681	499
Provision for wealth tax	2	3
TOTAL	2,211	1,624

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

Note 14 - FIXED ASSETS

Particulars	GROSS BLOCK					DEPRECIATION / AMORTIZATION					NET BLOCK			
	As at April 1, 2012	Additions during the year ³	Additions on account of acquisitions	Disposals	Other Adjustments ²	Total as at March 31, 2013	Upto April 1, 2012	Additions on account of acquisition	Depreciation for the Year ^{1,3}	Depreciation/ Sale/ Adjustments	Other Adjustments ²	Upto March 31, 2013	As at March 31, 2013	As at March 31, 2012
Tangible Assets														
Own Assets														
Lease hold Land	1,087	113	-	1	-	1,199	66	-	13	0	-	79	1,120	1,021
Free hold Land	944	282	-	-	182	1,044	-	-	-	-	-	-	1,044	944
Leasehold improvements	36	10	-	-	36	10	3	-	3	-	3	3	7	33
Buildings	4,895	1,082	-	5	4	5,968	709	-	183	4	(2)	890	5,078	4,186
Plant & Machinery	10,995	2,178	-	113	-	13,060	5,423	-	1,086	77	-	6,432	6,628	5,572
Furniture & Fixtures	79	13	-	1	-	91	54	-	8	0	-	62	29	25
Office Equipment	144	15	-	3	-	156	90	-	15	2	-	103	53	54
Computers	349	33	-	9	21	352	248	-	51	7	2	290	62	101
Vehicles	458	8	-	61	-	405	230	-	85	55	-	260	145	228
TOTAL OWN ASSETS	18,987	3,734	-	193	243	22,285	6,823	-	1,444	145	3	8,119	14,166	12,164
TOTAL TANGIBLE ASSETS	18,987	3,734	-	193	243	22,285	6,823	-	1,444	145	3	8,119	14,166	12,164
Previous Year	13,880	3,362	2,123	378	-	18,987	4,907	1,100	1,168	352	-	6,823	12,164	8,973
Intangible Assets														
Software	19	14	-	-	(21)	54	13	-	14	-	(2)	29	25	6
Technical Knowhow fees	14	-	-	-	-	14	7	-	2	-	-	9	5	7
TOTAL INTANGIBLE ASSETS	33	14	-	-	(21)	68	20	-	16	-	(2)	38	30	13
Previous Year	6	11	16	-	-	33	5	11	4	-	-	20	13	2
GRAND TOTAL	19,020	3,748	-	193	222	22,353	6,843	-	1,460	145	1	8,157	14,196	12,177
Previous Year	13,886	3,373	2,139	378	-	19,020	4,912	1,111	1,172	352	-	6,843	12,177	8,975

1 Includes impairment loss amounting to ₹ 60 Mn (Previous Year ₹ Nil) recognized during the year (Refer Note 30).

2 During the current year, the Company has reclassified the freehold land amounting to ₹ 182 Mn and building having gross block of ₹ 40 Mn and net block of ₹ 39 Mn respectively as investment property under non current investments as the same has now been let out for earning rental income.

3 Includes depreciation of ₹ 8 Mn capitalized during the year on assets used for the creation of self generated assets. (Refer Note. 30)

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

Particulars	As At March 31, 2013	As At March 31, 2012
Note 15 - NON CURRENT INVESTMENTS		
Investment property (at cost less accumulated depreciation)¹		
Cost of land and building given on operating lease	237	15
Less : Accumulated depreciation	6	3
	231	12
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 : 37,820,080) of Euro 1 each fully paid up	2,244	2,244
Net of provision for other than temporary diminution aggregating to ₹ 110 Mn (Previous year : ₹ 110 Mn).		
MSSL Mideast (FZE)		
1 equity share (Previous year :1) of AED 150,000 equivalent to Euro 46,875 each fully paid up	2	2
25,575,000 equity shares (Previous year :16,575,000) of Euro 1 each fully paid up.	1,610	977
MSSL Handels GmbH		
1 equity share (Previous year :1) of Euro 35,000	-	-
Net of provision for other than temporary diminution aggregating to ₹ 2 Mn (Previous year : ₹ 2 Mn).		
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.		
7,034,000 equity shares (Previous year :100,000) of SGD 1/- each fully paid up	309	3
4,500,000 (Previous year : 4,500,000) 6% redeemable at par non convertible and non cumulative preference shares of SGD 1/- each fully paid up.	123	123
Samvardhana Motherson Polymer Limited		
522,750 equity shares (Previous year :522,750) of ₹ 10/- each fully paid up.	5	5
1,351,500 equity shares (Previous year :Nil) of ₹ 10/- each fully paid up at a premium of ₹ 190/- per share	270	-
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:50,000) of ₹ 10/- each fully paid up.	1	1
	4,638	3,429
Investment in joint ventures :		
Woco Motherson Elastomer Limited		
1,139,333 equity shares (Previous year :1,139,333) of ₹ 10/- each fully paid up.	11	11
Woco Motherson Advanced Rubber Technologies Limited		
666,667 equity shares (Previous year : 666,667) of ₹ 10/- each fully paid up.	7	7
Kyungshin Industrial Motherson Limited		

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

Particulars	As At March 31, 2013	As At March 31, 2012
8,600,000 equity shares (Previous year :8,600,000) of ₹ 10/- each fully paid up.	86	86
Calsonic Kansei Motherson Auto Products Limited		
11,907,000 equity shares (Previous year:11,907,000) of ₹ 10/- each fully paid up.	119	119
	223	223
Investment in associates :		
Saks Ancillaries Limited		
1,000,000 equity shares (Previous year:1,000,000) of ₹ 10/- each fully paid up.	11	11
Others investments (Unquoted Instruments valued at cost):		
(Long Term Investments)		
Motherson Air Travel Agencies Limited		
120,000 equity shares (Previous year:120,000) of ₹ 10/- each fully paid up.	1	1
Motherson 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:120,000) of ₹ 10/- each fully paid up.	1	1
	29	29
TOTAL	5,132	3,704
Aggregate amount of unquoted investments	5,132	3,704
Aggregate provision for diminution in value of investments	112	112

¹During the current year, the Company has reclassified the freehold land amounting to ₹ 182 Mn and building having gross block of ₹ 40 Mn and net block of ₹ 39 Mn respectively as investment property under non current investments as the same has now been let out for earning rental income.

	As At March 31, 2013	As At March 31, 2012
Note 16 - LONG TERM LOANS AND ADVANCES		
<i>Unsecured considered good (unless otherwise stated):</i>		
Capital Advances	473	588
Security Deposits	194	110
Loans and advances to related parties		
Considered good	1	1
Considered doubtful ¹	6	6
Less: Provision for doubtful loans and advances to related parties ¹	(6)	(6)
Housing loan to employees	26	23
Prepaid expenses	61	57
Balances with Government Authorities	47	24
TOTAL	802	803

¹ The above includes advances amounting to ₹ 6 Mn (Previous year ₹ 6 Mn) 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, 2013	As At March 31, 2012
Note 17 - OTHER NON CURRENT ASSETS		
Non current bank balance		
Long Term deposits with banks with maturity period more than 12 months [Refer note (a) below]	9	19
TOTAL	9	19

a) Held as lien by Government Authorities against bank guarantees

	As At March 31, 2013	As At March 31, 2012
Note 18 - CURRENT INVESTMENT		
At cost or market value, whichever is less		
Quoted		
HDFC Bank Limited.¹		
2035 equity shares (Previous year :2035 of ₹ 10/-each fully paid up) of ₹ 2/- each fully paid up	0	0
Balrampur Chini Mills Limited¹		
1,200 equity shares (Previous year :1,200) of ₹ 1/- each fully paid up	0	0
Jaysynth Dyechem Limited¹		
100 equity shares (Previous year:100) of ₹ 10/- each fully paid up	0	0
GIVO Limited.¹		
28,475 equity shares (Previous year :28,475) of ₹ 10/- each fully paid up	0	0
Mahindra & Mahindra Limited¹		
3,644 equity shares (Previous year:3,644) of ₹ 5/- each fully paid up	0	0
Pearl Engineering Polymers Limited		
3,160 equity shares (Previous year :3,160) of ₹ 10/- each fully paid up	-	0
Inox Leasing and Finance 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	-	-
Inapex Auto Export P Limited		
60,000 equity shares (Previous year : 60,000) of ₹ 10/- each fully paid up	-	-
Arcotech Limited (Formerly SKS Limited)¹		
200 equity shares (Previous Year :200) of ₹ 10/- each fully paid up	0	-
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	5	4

¹Amounts 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, 2013	As At March 31, 2012
Note 19 - INVENTORIES		
Raw Materials	2,499	2,322
Raw Materials in transit	631	588
Work in progress	1,444	1,109
Finished Goods	711	547
Finished Goods in transit	127	77
Stores and spares	8	9
TOTAL	5,420	4,652

	As At March 31, 2013	As At March 31, 2012
Note 20 - TRADE RECEIVABLE		
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	31	63
Others	5,433	5,365
Unsecured, considered doubtful		
Outstanding for a period exceeding six months from the date they are due for payment	15	15
Less: Provision for doubtful receivables	(15)	(15)
TOTAL	5,464	5,428

	As At March 31, 2013	As At March 31, 2012
Note 21 - CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Balances with banks:		
In current accounts	107	158
Deposits with original maturity of less than three months	501	16
Cheques and drafts on hand	22	6
Cash on hand	13	11
	643	191
Other bank balances		
Deposits with original maturity for more than three months but less than twelve months	4	1
Unpaid dividend accounts	11	10
	15	11
TOTAL	658	202

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2013	As At March 31, 2012
Note 22 - SHORT-TERM LOANS AND ADVANCES		
Unsecured, considered good, unless otherwise stated:		
Loans and Advances to related party		
Considered good	225	266
Considered doubtful	-	-
Other Loans and Advances		
Considered good	518	506
Considered doubtful	-	2
Less: Provision for doubtful advances	-	(2)
Prepaid expenses	69	52
Loans to employees	37	39
Balances with Government Authorities	1,012	1,166
Fringe Benefit Tax (Net)	1	1
TOTAL	1,862	2,030

	Year Ended March 31, 2013	Year Ended March 31, 2012
Note 23 - REVENUE FROM OPERATIONS (NET)		
Sales of Products		
Finished Goods		
Within India	40,221	32,364
Outside India	5,797	4,880
Traded Goods	1,030	1,206
Sales of Services	404	231
Other operating revenue		
Scrap sales	194	117
Job work income	30	81
	47,676	38,879
Less: Excise Duty	4,635	3,161
TOTAL	43,041	35,718

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

	Year Ended March 31, 2013	Year Ended March 31, 2012
Note 24 - OTHER INCOME		
Interest Income	50	50
Dividend Income		
From subsidiaries	330	516
From non current investments	349	200
From current investments *	0	0
Lease rentals	59	58
Profit on Sale of tangible assets	46	21
Export Incentives	2	1
Liabilities no longer required written back	36	43
Miscellaneous Income	43	42
TOTAL	915	931

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

	Year Ended March 31, 2013	Year Ended March 31, 2012
Note 25 - COST OF MATERIALS CONSUMED		
Opening Stock of Raw Materials	2,322	2,280
Addition on amalgamation ¹	-	180
Add : Purchases of Raw Materials	25,016	20,590
Less: Closing Stock of Raw Materials	(2,499)	(2,322)
TOTAL	24,839	20,728

¹Refer Note 36

	Year Ended March 31, 2013	Year Ended March 31, 2012
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	624	529
Work-in-progress	1,109	923
	1,733	1,452
Add: Stock acquired on amalgamation ¹		
Finished goods	-	72
Work-in-progress	-	106
	-	178
Less: Stock at the end of the year		
Finished goods	(838)	(624)
Work-in-progress	(1,444)	(1,109)
	(2,282)	(1,733)
(Increase) / decrease in stocks	(549)	(103)

¹Refer Note 36

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

	Year Ended March 31, 2013	Year Ended March 31, 2012
Note 27 - EMPLOYEE BENEFITS EXPENSE		
Salary, Wages & Bonus	3,700	2,955
Contribution to Provident & Other Funds [Refer Note (B) below]	205	166
Gratuity [Refer note (A) below]	114	13
Staff Welfare Expenses	373	320
TOTAL	4,392	3,454

(A) Defined Benefit Schemes

(1) Gratuity:

The Company operates a 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

	March 31, 2013	March 31, 2012
Obligations at year beginning	247	183
Obligations at year beginning consequent to Amalgamation	-	41
Service Cost - Current	43	29
Interest Cost	20	20
Actuarial (gain) / loss	70	(21)
Benefit Paid	(13)	(5)
Obligations at year end	367	247

(ii) Fair Value of Plan Assets

	March 31, 2013	March 31, 2012
Plan assets at year beginning, at fair value	216	144
Plan assets at year beginning consequent to Amalgamation	-	23
Expected return on plan assets	20	15
Actuarial gain / (loss)	(1)	-
Contributions	51	39
Benefits paid	(12)	(5)
Plan assets at year end, at fair value	274	216

(iii) Assets and Liabilities recognized in the Balance Sheet

	March 31, 2013	March 31, 2012
Present Value of the defined benefit obligations	367	247
Fair value of the plan assets	274	216
Amount recognized as Liability	93	31
Recognized under:		
Short Term Provision (Refer Note 13)	93	31

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

(iv) Defined benefit obligations cost for the year

	March 31, 2013	March 31, 2012
Service Cost - Current	43	29
Interest Cost	20	20
Expected return on plan assets	(20)	(15)
Actuarial (gain) / loss	70	(21)
Net defined benefit obligations cost	113	13

(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, 2013	March 31, 2012
Discount Rate	8.3%	8.83%
Future salary increases	8.0%	7.50%
Expected return on plan assets	9.40%	9.40%
Expected Average remaining working lives of employees (years)	27.34	28.24

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, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009
Defined benefit obligations	367	247	183	134	112
Plan assets	(274)	(216)	(144)	(109)	(86)
Deficit /(Surplus)	93	31	39	25	26

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

	Year ended March 31, 2013	Year ended March 31, 2012
Gratuity	77	36

(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 financial statements

(All amounts in ₹ Million, unless otherwise stated)

(i) Present Value of Defined Benefit Obligation

	Year ended March 31, 2013	Year ended March 31, 2012
Obligations at year beginning	97	58
Obligations at year beginning consequent to Amalgamation	-	11
Service Cost – Current	29	18
Interest Cost	8	6
Actuarial (gain) / loss	33	11
Benefit Paid	(12)	(7)
Obligations at year end	155	97

(ii) Assets and Liabilities recognized in the Balance Sheet

	March 31, 2013	March 31, 2012
Present Value of the defined benefit obligations	155	97
Fair value of the plan assets	-	-
Amount recognized as Liability	155	97

Recognized under:

Long Term Provision (Refer Note 9)	147	94
Short Term Provision	8	3

(iii) Defined benefit obligations cost for the year

	March 31, 2013	March 31, 2012
Service Cost - Current	29	18
Interest Cost	8	6
Expected return on plan assets	-	-
Actuarial (gain) / loss	33	11
Net defined benefit obligations cost	70	35

(iv) Actuarial Assumptions:

	March 31, 2013	March 31, 2012
Discount Rate	8.3%	8.83%
Future salary increases	8.0%	7.50 %.
Expected return on plan assets	9.40%	9.40%
Expected Average remaining working lives of employees (years)	27.34	28.24

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, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009
Defined benefit obligations	155	97	58	42	35
Plan assets	-	-	-	-	-
Deficit /(Surplus)	155	97	58	42	35

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

(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 ₹205 Mn (Previous Year ₹166 Mn).

	Year Ended	Year Ended
Note 28 - OTHER EXPENSES		
Electricity, water and fuel	864	668
Repairs and Maintenance:		
Machinery	365	328
Building	319	261
Others	175	192
Consumption of stores and spare parts	391	375
Conversion charges	306	286
Excise duty expenses ¹	18	2
Lease rent (operating leases) (Refer Note 47)	120	98
Rates and taxes	45	32
Insurance	56	50
Net loss on foreign currency transaction and translation	197	431
Donation	13	12
Travelling	425	416
Freight and forwarding	721	646
Royalty	220	177
Cash Discount	132	94
Commission	6	4
Diminution in value of current investment ²	0	0
Bad Debts/Advances written off	11	8
Payment to auditors	45	61
Legal and professional expenses	466	473
Commodity hedging loss	-	161
Miscellaneous expenses	887	789
TOTAL	5,782	5,564

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

²Amount is below the rounding off norm adopted by the Company

	Year Ended	Year Ended
Note 29 - FINANCE COSTS		
Interest Expense		
Interest on long term borrowings	178	134
Other borrowings	310	419
Others borrowing costs	47	45
TOTAL	535	598

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

	Year Ended March 31, 2013	Year Ended March 31, 2012
Note 30 - DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation on Tangible assets ¹	1,444	1,168
Amortization on Intangible assets	16	4
Depreciation on Investment property	2	0
Less : Capitalised during the year ²	9	-
TOTAL	1,453	1,172

¹The management, based on the review of future business plans, has estimated the value in use / recoverable value to be lower than the carrying value of certain fixed assets and consequently recognised an impairment loss amounting to ₹ 60 Mn (Previous year ₹ Nil).

²Depreciation on assets used for creation of self generated assets. (Refer Note. 14)

	Year Ended March 31, 2013	Year Ended March 31, 2012
Note 31 - PROPOSED DIVIDEND		
On Equity shares of ₹ 1 each		
Amount of dividend proposed	1,176	882
Dividend per equity share	₹ 2.00 per share	₹ 2.25 per share
On Preference shares of ₹ 10 each		
Amount of dividend proposed	-	8
Dividend per preference share	-	₹ 0.79 per share

32. Contingent Liabilities

	As At March 31, 2013	As At March 31, 2012
Claims against the Company not acknowledge as debts		
A) Excise Matters	50	53
B) Sales Tax Matters	60	48
C) Entry Tax Matters	-	1
D) Service Tax Matters	29	21
E) Stamp Duty	5	5
F) Claims Made by Workmen	9	13
G) Income Tax Matters	32	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:

	As At March 31, 2013	As At March 31, 2012
Employees Remuneration and Benefits	85	67
Other Expenses of Manufacturing and Administration	45	94
Capital Expenditure	60	17

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

34. Capital and Other Commitments

		As At March 31, 2013	As At March 31, 2012
(a)	Capital Commitments		
	Estimated value of contracts in capital account remaining to be executed	322	883
	Total	322	883
(b)	Other Commitments		
	The Company has given corporate guarantees in respect of :		
	– Subsidiary Companies	12,507	12,925
	– Bank Guarantees / Letters of Credit furnished by the Company	62	197

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

35. 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 is as follows:

	As At March 31, 2013	As At March 31, 2012
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	54	14
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	–	–

36. During previous year, the Hon'ble High Court of Delhi had approved a Scheme of Amalgamation of Sumi Motherson Innovative Engineering Limited (SMIEL) and wholly owned subsidiaries namely, India Nails Manufacturing Limited (INML) and MSSL Global Wiring Limited (MGWL) with the Company with effect from April 1, 2011. Pursuant to the Scheme the Company has issued 4,420,360 new shares to the shareholders of SMIEL on April 23, 2012, thereby increasing its equity share capital to ₹ 392 Mn. During the previous year, the Company had accounted for the Scheme and accordingly disclosed the amount of share capital to be issued in consideration as Share Capital Suspense Account.

Further, the preference shares of SMIEL amounting to ₹ 100 Mn were redeemed on March 28, 2012.

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

37. Derivative instruments and unhedged foreign currency exposure

a. Derivatives outstanding as at the reporting date

(In Millions)

Particulars	Currency	March 31, 2013	March 31, 2012
Hedge of external commercial borrowings and long term loans	USD : INR	USD 7; ₹ 387	USD 4; ₹ 203
	JPY : INR	JPY 115; ₹ 67	JPY 260; ₹ 160
Hedge of Working Capital Loan in foreign currency	USD : INR	-	USD 2; ₹ 102
Sundry Creditors	JPY : INR	JPY 118; ₹ 69	-

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

(In Millions)

Currency	As At March 31, 2013 Payable/(Receivable)	As At March 31, 2012 Payable/(Receivable)
EUR	(4)	(2)
GBP	*	(1)
JPY	1,063	1,299
USD	118	100
SGD	*	*
CHF	*	*
AUD	(1)	*
HKD	-	4
THB	5	-
AED	*	*

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

38. Clause 32 disclosures

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

Name of Company	Status	Nature	March 31, 2013	March 31, 2012
MSSL Handels GmbH	100% subsidiary	Loan	6*	6*
Maximum amount outstanding at any time during the year			6*	6*

* Fully provided for

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

Name of Company	Nature	March 31, 2013	March 31, 2012
Motherson Auto Limited	Loan	100	100 [#]
Maximum amount outstanding at any time during the year		100	100 [#]
Systematic Conscom Limited	Loan	-	20 [#]
Maximum amount outstanding at any time during the year		20	20

[#] Addition on amalgamation of erstwhile SMIEL with the Company (Refer Note 36).

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

39. CIF Value of Imports:

	Year ended March 31, 2013	Year ended March 31, 2012
Raw Materials and Components	13,100	11,333
Capital Goods	1,158	952
Spare Parts	134	97

40. Expenditure in foreign currency on account of:

	Year ended March 31, 2013	Year ended March 31, 2012
Royalty	211	177
Travelling	44	63
Interest	167	113
Professional Fee	112	142
Technical Assistance Fees	2	10
Rent	12	13
Salaries and other Allowances	52	53
Computer and Software Expenses	4	9
Others (includes training, bank charges, reimbursements etc.)	127	269

41. Earnings in foreign currency:

	Year ended March 31, 2013	Year ended March 31, 2012
FOB Value of Exports ¹	5,985	4,857
Dividend Received from Subsidiary	330	517
Interest Received from subsidiary	-	*
Service Income	16	-
Miscellaneous Income	1	2

¹Includes Deemed Exports of ₹ 353 Mn (Previous Year ₹ 364 Mn)

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

42. Dividend remitted in foreign currency:

Dividend on Equity Share Capital

	Year ended March 31, 2013	Year ended March 31, 2012
a) Amount remitted (Figures in ₹ Million)	226	300*
b) No of non-resident shareholders	3	4
c) No of shares held by them (in Million)	101	118
d) Year to which dividend pertains	Year ended March 31, 2012	Year ended March 31, 2011

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

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

Dividend on Preference Share Capital*

		Year ended March 31, 2013	Year ended March 31, 2012
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 were redeemed on 28th March, 2012.

43. Details of Consumption and Purchases

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

	Raw Materials and Components	Year ended March 31, 2013	Year ended March 31, 2012
a)	Copper	5,645	4,461
b)	Others *	19,194	16,267

*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, 2013		Year ended March 31, 2012	
	(%)	(Figures in ₹ Million)	(%)	(Figures in ₹ Million)
Imported	54	13,526	56	11,682
Indigenous	46	11,313	44	9,046
Total	100	24,839	100	20,728

B. Stores and Spares

Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
	(%)	(Figures in ₹ Million)	(%)	(Figures in ₹ Million)
Imported	14	54	17	64
Indigenous	86	337	83	311
Total	100	391	100	375

(c) Purchase of Traded Goods

Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
	(%)	(Figures in ₹ Million)	(%)	(Figures in ₹ Million)
Automobile Components and tooling	100	1,007	100	891

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

44. Earnings per share

		Year ended March 31, 2013	Year ended March 31, 2012
a) Basic			
	Net Profit after Tax	4,696	3,172
	Less: Dividend on Preference Shares (Including dividend tax)	-	9
	Net profit after tax available for equity Shareholders (₹ in Millions) - (A)	4,696	3,163
	Equity Shares outstanding at year end ¹	587,946,240	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.	-	4,420,360
	Add: Bonus Shares issued by capitalization of Securities Premium on October 5, 2012 adjusted ²	-	195,982,080
	Weighted Average number of equity shares used to compute basic earnings per share- (B)	587,946,240	587,946,240
	Basic Earnings (in Rupees) Per Share of ₹ 1/- each. (Previous Year ₹ 1/- each) (A/B)	7.99	5.39
b) Diluted			
	Net profit after tax available for equity Shareholders (₹ in Millions) - (A)	4,696	3,163
	Adjusted Net Profit (₹ in millions)	4,696	3,163
	Weighted Average number of equity shares used to compute basic earnings per share - (B)	587,946,240	587,946,240
	Weighted Average number of Equity Shares of ₹ 1 /- each (Previous Year ₹ 1/- each) outstanding at the end of the year	587,946,240	587,946,240
	Diluted Earnings (in Rupees) Per Share of ₹ 1/- each. (Previous Year ₹ 1/- each)	7.99	5.39

¹During the year, the Company has made allotment of 195,982,080 equity shares of ₹ 1/- each as bonus shares in proportion of one equity share for every two equity shares.

²As required by Accounting Standard-20 : Earnings per Share, notified under the Companies Act, 1956, since the bonus issue is an issue without consideration being received, the number of shares have been adjusted for the previous year also.

45. The Company has the following provision in the books of account as at year end:

Description	Warranty		Litigations	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Opening Balance	11	2	20	19
Addition on Amalgamation	-	40	-	1
Provided during the year	8	5	-	-
Reversed during the year	5	23	-	-
Utilised during the year	10	13	-	-
Closing Balance	4	11	20	20

Erstwhile Sumi Motherson Innovative Engineering Limited (SMIEL), India Nails Manufacturing Limited (India Nails) & MSSS Global Wiring Limited (MGWL) were amalgamated with the Company w.e.f April 1, 2011.

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.

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

46. 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
MSSL Advanced Polymers s.r.o.
MSSL (GB) Limited
Global Environment Management (FZC)
Global Environment Management Australia Pty Limited
Motherson Wiring System (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.
SMR Hyosang Automotive Ltd.
SMR Holding Australia Pty Limited
SMR Automotive Australia Pty Limited
SMR Automotive Taree Pty Limited (deleted on 22.05.2012 due to deregistered)
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

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

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.Netherlands
Samvardhana Motherson Peguform GmbH (earlier known as Forgu GmbH, Germany)
SMP Deutschland GmbH (formerly known as Peguform GmbH)
PurpurinGrundstuecksverwaltungsgesellschaft mbH & Co. Vermietungs KG
SMP Automotive Solutions Personalleasings GmbH (Formerly known as Peguform Personalleasing GmbH)
SMP Automotive Solutions Slovakia sro (earlier known as Peguform Slovakia sro).
SMP Automotive Technology Management Services (Chanchun) Co. Ltd. (formerly known as Peguform Corporate Management Services (Chanchun) Co. Ltd.).
SMP Automotive Technology Iberica S L (earlier known as Pegurform 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. (Zaragoza, ES) 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.)
SMP Automotive Systems Mexico S A De CV
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.)
MSSL WH System (Thailand) Co, Ltd (incorporated on April 12, 2012)
MSSL Korea WH Limited (incorporated on December 5, 2012)
PAINTYES – Sociedade Portuguesa de Pintura, S A
Foshan Peguform Automotive Plastics Technology Co Ltd

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:

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

Saks Ancillaries Limited

Die Wethje GmbH Kunststofftechnik (Indirectly through subsidiary) Upto October 29, 2012

Wethje Carbon Composite GmbH (Indirectly through subsidiary) Upto October 29, 2012

Wethje Entwicklungs GmbH (Indirectly through subsidiary) Upto October 29, 2012

Re time Pty Limited (Indirectly through subsidiary)

c. Key Management Personnel:

i) Board of Directors:

Mr. V. C. Sehgal

Mr. Laksh Vaaman Sehgal

Mr. Toshimi Shirakawa

Mr. Hideaki Ueshima

Mr. Hiroto Murai (resigned on July 2, 2012)

Maj. Gen. Amarjit Singh (Retd.)

Mr. Pankaj Mital

Mr. Arjun Puri

Mr. M. S. Gujral (Late) (cessation due to death on May 4, 2012)

Mr. S P Talwar (Appointed on September 10, 2012)

Mr. S C Tripathi, IAS (Retd.) (Appointed on September 10, 2012)

Mr. Gautam Mukherjee (Appointed on September 10, 2012)

ii) Other Key Management Personnel:

Mr. G.N. Gauba

Mr. Sanjay Mehta

iii) Relatives of Key Management Personnel:

Ms. Renu Sehgal (Wife of Mr. V.C. Sehgal)

Ms. Vidhi Sehgal (Daughter of Mr. V.C. Sehgal)

Ms. Geeta Soni (Sister of Mr. V.C. Sehgal)

Ms. Nilu Mehra (Sister of Mr. V.C. Sehgal)

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

Motherson Techno Tools Limited

Motherson Techno Tools Mideast (FZE)

SWS India Management Support & Service (P) Limited

Vaaman Auto Industries

A Basic Concepts Design India Private Limited

Motherson Sumi Infotech and Designs Limited

Motherson Engineering Research and Integrated Technologies Limited

Moon Meadows Private Limited

Sis Bro Motor and Workshop Private Limited

NACHI Motherson Tool Technology Limited

Motherson

Samvardhana Motherson International Limited (formerly Samvardhana Motherson Finance Limited) (also a joint venturer)

A Basic Concepts Design Pty Limited

ATAR Mauritius Private Limited

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

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 (formerly 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.
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
Motherson Lease Solution Limited (formerly Style Motors Limited)
Systematic Conscom Limited
MAS Middle East Ltd. (FZE)
Motherson Bergstrom HVAC Solutions Pvt. Ltd.
NACHI Motherson Precision Ltd.
Motherson Sintermetal Technology Limited
Samvardhana Motherson Nippisun Technology Limited
Advanced Technologies and Auto Resources Pte. Ltd.
Edcol Global Pte. Limited
Motherson Innovative Technologies and Research
Radha Rani Holdings Pte Ltd

e. Joint Venturer:

Sumitomo Wiring Systems Limited, Japan
Kyungshin Corporation, Korea
Woco Franz Josef Wolf Holding GmbH, Germany
Calsonic Kansei Corporation, Japan
Ningbo Huaxiang Electronic Co., Ltd
E-Compost Pty. Limited, Australia
Dremotech GmbH & Co. KG., Germany
Cross Motorsport Systems AG
Blanos Partners S.L.
Changshu Automobile Interior Decoration Co., Ltd

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

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

S. No	Particulars	Parties mentioned in 46 (I) above		Parties mentioned in 46 (II) (a) above		Parties mentioned in 46 (II) (b) & (d) above		Parties mentioned in 46 (II) (e) above		Parties mentioned in 46 (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	3,025	2,425	1,039	1,028	193	213	522	545	-	-
2	Rendering of Services	14	16	271	230	44	43	-	-	-	-
3	Sale of Fixed Assets	4	-	-	-	36	3	-	-	-	-
4	Purchase of Goods	828	957	39	31	1,017	713	643	581	-	-
5	Purchase of Fixed Assets	3	32	-	-	899	1,435	200	10	-	-
6	Purchase of Services	30	36	1	-	761	754	26	70	5*	6*
7	Reimbursement (Net)	51	103	-	-	54	193	0	3	-	-
8	Investments made during the year	1,209	418	-	-	-	-	-	-	-	-
9	Purchase of Shares	-	-	-	-	-	-	-	-	-	-
10	Investment Sold	-	-	-	-	-	-	-	-	#	-
11	Royalty	-	-	-	-	-	-	211	174	-	-
12	Remuneration/ Sitting Fees/Commission of Directors & Key Management Persons	-	-	-	-	-	-	-	-	28	25
13	Interest Income	*	0	-	-	21	18	-	-	-	-
14	Interest Expense	-	-	-	-	2	4	-	-	-	-
15	Dividend Paid	-	-	-	-	320	387	223	266	34**	42**
16	Dividend Received	330	516	347	199	2	1	-	-	-	-
17	Advances Given	-	-	-	-	-	-	-	-	-	-
18	Loans Received during the year	-	-	-	-	10	30	-	-	-	-
19	Loans Given during the year	-	-	-	-	-	120	-	-	-	-
20	Loans Repaid during the year	-	-	-	-	45	20	-	-	-	-
21	Loans Received back during the year	-	-	-	-	20	-	-	-	-	-
22	Security Deposits Received	-	0	-	-	-	9	-	-	-	-
23	Security Deposits Received Back	#	-	-	-	-	-	#	-	1	-
24	Security Deposits Given	-	-	-	-	87	-	-	-	-	-
Balances as at year end											
25	Investments	4,750	3,541	223	223	38	28	-	-	-	-
26	Loans Receivable (after reinstatement)	7	7	-	-	100	120	-	-	-	-
27	Loans Payable	-	-	-	-	10	45	-	-	-	-
28	Advances Receivable	30	30	1	4	94	112	-	-	-	-
29	Security Deposits Received	0	2	40	40	34	34	#	-	-	-
30	Security Deposits Given	-	-	-	-	91	3	-	-	-	1
31	Guarantees Closing	12,507	12,925	-	-	-	-	-	-	-	-
32	Trade Payables	169	373	4	3	350	329	242	195	-	-
33	Trade Receivables	787	958	17	144	148	135	36	32	-	-
34	Advances	25	5	0	0	-	-	1	1	-	-

The Company has given letters of support to its subsidiaries MSSL Mauritius Holdings Limited, MSSL Ireland Private Limited, MSSL (GB) Limited, Samvardhana Motherhood B.V., Samvardhana Motherhood Peguform GmbH and SMP Automotive Technology Iberica S L to enable them to continue their operations.

*Rent of ₹ 5 Mn (Previous Year ₹ 3 Mn) paid to Mr. V.C. Sehgal, Mr. Laksh Vaaman Sehgal, Ms. Renu Sehgal, Ms. Vidhi Sehgal.

** Dividend of ₹ 34 Mn (Previous Year ₹ 42 Mn) paid to Mr. V. C. Sehgal, Ms. Renu Sehgal, Ms. Nilu Mehra, Ms. Geeta Soni, Mr. Pankaj Mital, Mr. M.S. Gujral, Mr. G.N. Gauba.

#Amount is below the rounding off norm adopted by the Company.

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

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

Nature	Party Name	2012-13 Amount	2011-12 Amount
Sale of Goods	Kyungshin Industrial Motherson Limited	889	897
	Sumitomo Wiring Systems Limited	522	545
	MSSL Japan Limited	1,019	861
	SMR Automotive Mirror Technology Hungary Bt	512	403
Rendering of Services	Kyungshin Industrial Motherson Limited	249	209
Sale of Fixed Assets	Magnetti Marelli Motherson Auto System Limited	35	3
Purchase of Goods	Motherson Electrical Wires Lanka Pvt. Ltd.	432	640
	CTM India Limited	369	333
	Systematic Conscom Limited	263	120
	Edcol Global Pte. Limited	328	227
	Sumitomo Wiring Systems Limited	600	547
	MSSL (GB) Limited	310	253
Purchase of Fixed Assets	Systematic Conscom Limited	775	1,619
	Sumitomo Wiring Systems Limited	200	9
Purchase of Services	Motherson Auto Limited	118	98
	Motherson Air Travel Agencies Ltd.	138	158
	Motherson Sumi InfoTech & Designs Ltd	207	242
	Saks Ancillaries Limited	144	141
Reimbursement (Net)	MSSL (S) Pte Ltd	19	17
	MSSL (GB) Limited	17	16
	MSSL s r l Unipersonale	15	12
	Systematic Conscom Limited	28	177
Investment made during the year	MSSL Mideast (FZE)	632	148
	MSSL (S) Pte Ltd	306	-
	Samvardhana Motherson Polymers Ltd	270	5
Royalty	Sumitomo Wiring Systems Limited	211	174
Remuneration / Sitting Fees/ Commission of Directors & Key Management Personnel	Mr. Pankaj Mital	9	7
	Mr. G. N. Gauba	9	7
	Mr. Sanjay Mehta	5	4
Interest Income	Motherson Auto Limited	21	16
Interest Expense	Saks Ancillaries Limited	2	4
Dividend Paid	Samvardhana Motherson International Limited (formerly Samvardhana Motherson Finance Limited)	319	387
	Sumitomo Wiring Systems Limited	223	267
	Kyungshin Industrial Motherson Limited	301	172
Dividend Received	Motherson Electrical Wires Lanka Pvt. Ltd.	330	516
	Saks Ancillaries Ltd	10	30
Loans Received during the year	Saks Ancillaries Ltd	45	20
Loans Repaid during the year	Systematic Conscom Limited	20	-
Loans rec. back during the year	Mr. Laksh Vaaman Sehgal	1	-
Security Deposits Received back	Motherson Auto Limited	87	-
Security Deposit Repaid/ Given			
Balances as at year end			
Loans Payable	Saks Ancillaries Limited	10	45
Loan Receivable	Motherson Auto Limited	100	100
	MSSL Handels GmbH	6	6
Advances Receivable	Motherson Auto Limited	78	106

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

Nature	Party Name	2012-13 Amount	2011-12 Amount
	CTM India Limited	61	-
	Samvardhana Motherson Reflectec Group Holdings Ltd.	30	30
Security Deposits Received	Kyungshin Industrial Motherson Limited	30	30
	CTM India Limited.	25	11
Security Deposits Given	Motherson Auto Limited	90	3
Guarantee Closing	Samvardhana Motherson Reflectec Group Holdings Limited	4,105	5,129
	Samvardhana Motherson B.V., Netherland	2,265	2,210
	Samvardhana Motherson Peguform GmbH (earlier known as Forgu GmbH, Germany)	4,943	4,823
Trade Payables	Systematic Conscom Limited	149	236
	Sumitomo Wiring Systems Limited	239	191
Trade Receivables	MSSL Japan Limited	331	412
	SMR Automotive Mirror Technology Hungary Bt	143	227
Advances Payable	MSSL Mideast (FZE)	4	4
	MSSL Global RSA Module Engineering Limited	16	-
	Samvardhana Motherson Peguform GmbH (earlier known as Forgu GmbH, Germany)	4	-

47. 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.

	Year ended March 31, 2013	Year ended March 31, 2012
With respect to all operating leases;		
Lease payments recognised in the Statement of Profit and Loss during the year	120	98
Sub-lease payments received / receivable recognised in the Statement of Profit and Loss during the year	59	58

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

	Year ended March 31, 2013	Year ended March 31, 2012
Not Later than one year	7	9
Later than one year and not later than five years.	27	28
Later than 5 years	323	330

48. 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.

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

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

a) Information about Primary Business Segments

	Automotive		Non automotive		Unallocated		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Segment revenue								
External	40,228	33,016	3,308	3,233	784	796	44,320	37,045
Inter-segment	414	445	-	-	-	-	414	445
Total revenue	39,814	32,571	3,308	3,233	784	796	43,906	36,600
Results								
Segment result	6,096	4,133	298	395	-	-	6,394	4,528
Interest expense (net of Interest income)	-	-	-	-	485	548	485	548
Other Unallocable (net of Income)	-	-	-	-	(588)	(365)	(588)	(365)
Profit before taxation	-	-	-	-	-	-	6,497	4,345
Provision for taxation (net)	-	-	-	-	1,801	1,173	1,801	1,173
Net profit after tax	-	-	-	-	-	-	4,696	3,172
Other items								
Segment assets	26,279	23,930	2,235 ²	2,313 ²	5,794 ²	3,931 ²	34,308	30,174
Segment liabilities	5,803	5,454	850	924	11,510	11,037	18,163	17,415
Capital expenditure	3,226	3,275	140	174	-	-	3,367	3,449
Depreciation & Amortisation ¹	1,319	1,056	134	116	-	-	1,453	1,172

¹Includes impairment loss amounting to ₹ 60 Mn (Previous Year Nil) recognized during the year (Refer Note 30).

²During the current year land and building amounting to ₹ 222 Mn, being part of non-automotive segment assets has been reclassified as investment property forming part of unallocated assets.

b) Information about Secondary Business Segment

	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	37,322	30,901	5,800	4,903	784	796	43,906	36,600
Total	37,322	30,901	5,800	4,903	784	796	43,906	36,600
Carrying amount of segment assets	27,330	25,681	1184	562	5,794	3,931	34,308	30,174
Addition to fixed assets	3,366	3,446	1	3	-	-	3,367	3,449

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

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

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 Company.

49. Interests in Joint Ventures:

The Company's interests, as a venture, in jointly controlled entities as at March 31, 2013 are:

Name of the Company	Country of Incorporation	% Voting power held as at March 31, 2013	% Voting power held as at March 31, 2012
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 Statement of Profit and Loss:

Particulars	March 31, 2013	March 31, 2012
EQUITY AND LIABILITIES		
Shareholders' Funds		
Share capital		
Reserves and surplus	856	782
Non Current Liabilities	35	36
Long term borrowings		
Deferred tax liabilities (Net)	(26)	(19)
Current Liabilities	1,178	1,657
Assets		
Non Current Assets		
Fixed Assets	246	295
Capital Work in Progress	3	3
Intangible Asset under development	41	1
Non Current Assets	173	116
Current Assets	1,844	2,265
Revenue		
Sales	5,718	4,701
Other Income	22	21
Expenditure	5,243	4,326
Pro: t before Tax	497	396
Provision for Tax	131	123
Pro: t after Tax	366	273
Contingent Liabilities		
- In respect of Excise, Sales tax & Service tax matters	33	13
- Bank Guarantees	0	0
Capital Commitment	6	6

Notes to the financial statements

(All amounts in ₹ Million, unless otherwise stated)

50. 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 and domestic 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.
51. Previous year figures have been reclassified to conform to this year's classification.

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

ANUPAM DHAWAN
Partner
M.No.: 084451
Place: Noida
Date : May 17, 2013

V.C. SEHGAL
Chairman

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

For and on behalf of the Board

HIDEAKI UESHIMA
Director

PANKAJ MITAL
Chief Operating Officer

Independent Auditors' Report

To the Board of Directors of Motherson Sumi Systems Limited

1. We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") 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 36 to the attached consolidated financial statements) which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

Management's Responsibility for the Consolidated Financial Statements

2. The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. 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 Section 211(3C) of the Companies Act, 1956.

7. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to in paragraph 9 below, and to the best of our information and according to the explanations given to us, in our opinion, the accompanying 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, 2013;
- (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter(s)

8. We did not audit the financial statements of eighteen subsidiaries and three jointly controlled entities included in the consolidated financial statements, which constitute total assets of ₹90,981 Mn and net assets of ₹13,501 Mn as at March 31, 2013, total revenue of ₹199,155 Mn, net profit of ₹671 Mn and net cash flows amounting to ₹59 Mn for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.
9. We did not audit the financial statements of thirty three subsidiaries, three jointly controlled entities which constitute total assets of ₹3,229 Mn and net assets of ₹384 Mn as at March 31, 2013, total revenue of ₹3,522 Mn, net profit of ₹220 Mn and net cash flows amounting to ₹127 Mn for the year then ended; and one associate company included in the consolidated financial statements, which constitutes net profit of ₹1 Mn for the period from April 1, 2012 to March 31, 2013. The unaudited financial information has been provided to us by the management, and our opinion on the consolidated financial statements to the extent they relate to these subsidiaries, jointly controlled entities and associate company is based solely on such unaudited financial information furnished to us.

For Price Waterhouse
Firm Registration Number: 012754N
Chartered Accountants

Anupam Dhawan
Partner

Place: Noida
Date : May 17, 2013

Membership Number 084451

Consolidated Balance Sheet

(All amounts in ₹ Million, unless otherwise stated)

	Note	As At March 31, 2013	As At March 31, 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	588	388
Reserves and Surplus	4	22,302	18,325
		22,890	18,713
Share Capital Suspense account	5	-	4
Minority Interest		4,025	5,027
Non Current Liabilities			
Long term borrowings	6	27,159	29,611
Deferred tax liabilities (net)	7	1,441	1,506
Other long term liabilities	8	2,388	1,640
Long term provisions	9	1,679	1,100
		32,667	33,857
Current Liabilities			
Short term borrowings	10	13,553	11,678
Trade payables	11	31,808	30,981
Other current liabilities	12	19,756	16,790
Short term provisions	13	3,576	3,512
		68,693	62,961
TOTAL EQUITY AND LIABILITIES		128,275	120,562
ASSETS			
NON CURRENT ASSETS			
Fixed Assets	14		
Tangible assets		50,563	45,077
Intangible assets		2,207	1,845
Capital work in progress		3,855	4,444
Intangible assets under development		4	14
Non current investments	15	716	938
Deferred tax assets (net)	16	882	904
Long term loans and advances	17	1,507	1,555
Other non-current assets	18	1,354	1,395
		61,088	56,172
Current Assets			
Current investments*	19	0	0
Inventories	20	26,036	22,496
Trade receivables	21	29,400	30,127
Cash and bank balances	22	5,944	4,557
Short term loans and advances	23	5,805	7,209
Other current assets	24	2	1
		67,187	64,390
TOTAL ASSETS		128,275	120,562

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.: 084451

Place: Noida

Date : May 17, 2013

V.C. SEHGAL

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 ₹ Million, unless otherwise stated)

	Note	For the Year Ended March 31, 2013	For the Year Ended March 31, 2012
REVENUE			
Revenue from operations (gross)	25	258,788	151,381
Less: Excise duty		5,664	3,615
Revenue from operations (net)		253,124	147,766
Other Income	26	3,215	1,445
TOTAL REVENUE		256,339	149,211
EXPENSES			
Cost of materials consumed	27	166,860	93,375
Purchase of stock-in-trade		1,008	891
Statement of changes in inventories of finished goods, work-in-progress and stock in trade	28	(3,030)	1,169
Employee benefit expenses	29	42,827	23,170
Other expenses	30	30,692	20,236
TOTAL EXPENSES		238,357	138,841
ProBt before Interest, depreciation and exceptional items		17,982	10,370
Finance costs	31	2,495	1,649
ProBt for the year before depreciation and exceptional items		15,487	8,721
Depreciation and amortization expense	32	7,145	3,796
Exceptional Items (Gains)/ Losses	33	-	809
ProBt before tax		8,342	4,116
Tax Expenses			
-Current tax		3,851	2,025
-Deferred tax expense/ (credit)		(20)	93
-Fringe benefit tax		50	42
-Income tax for earlier years		(46)	(7)
ProBt after tax before share of results of associates and minority interests		4,507	1,963
Less: Minority Interest		70	(631)
Add: Share of net profit of associates		8	2
ProBt for the year from continuing operations		4,445	2,596
Earnings per share: (Refer Note 40)			
Nominal value per share: ₹1/- (Previous year : ₹1/-)			
Basic : ₹ per share		7.6	4.4
Diluted : ₹ Per share		7.6	4.4
Summary of significant accounting policies	2		

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

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

ANUPAM DHAWAN
Partner
M.No.: 084451
Place: Noida
Date : May 17, 2013

The notes are an integral part of these consolidated financial statements

For and on behalf of the Board

V.C. SEHGAL
Chairman

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

HIDEAKI UESHIMA
Director

PANKAJ MITAL
Chief Operating Officer

Consolidated Cash Flow Statement

(All amounts in ₹ Million, unless otherwise stated)

	For the Year Ended March 31, 2013	For the Year Ended March 31, 2012
A. Cash flow from operating activities:		
Net (loss)/profit before tax and exceptional/extraordinary items	8,350	4,927
Adjustments for:		
Share of profit in associate	(8)	(2)
Depreciation & Impairment	7,145	3,814
Interest expenditure	2,495	1,649
Interest income	(121)	(118)
Dividend income	(2)	(1)
(Profit) / loss on sale of tangible assets (net)	(93)	(109)
Provision for diminution in value of current investment *	(1)	0
Debts / Advances written off	90	98
Provision for Bad & Doubtful Debts / Advances	115	-
Liability no longer required written back	(286)	(208)
Provision for employee benefits	190	33
Provision for warranty	(9)	74
Unrealised foreign currency loss	1,676	1,883
Operating profit before working capital changes	19,541	12,040
Change in working Capital:		
(Increase)/Decrease in trade and other payables	1,283	2,605
(Increase)/Decrease in trade receivables	561	(8,202)
(Increase)/Decrease in inventories	(3,540)	445
(Increase)/Decrease in other receivables	677	1,795
Cash generated from operations	18,522	8,683
- Taxes (Paid) / Received (Net of TDS)	(3,662)	(2,031)
Net cash generated from operations before extraordinary items	14,860	6,651
- Extraordinary /exceptional Item (Expense)/ Income	-	(764)
Net cash generated from operating activities	14,860	5,887
B. Cash flow from investing activities:		
Purchase/ additions of tangible / intangible assets	(11,389)	(10,758)
Sale of tangible / intangible assets	494	421
Sale / (purchase) of investments	(13)	(22)
Purchase of minority interest in subsidiary	-	(1)
Interest received (revenue)	116	72
Dividend received	2	2
Consideration paid on acquisition of subsidiaries	-	(9,958)
Consideration paid on acquisition of associates	-	(454)
Net cash used in investing activities	(10,790)	(20,698)

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

Sr. 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 Subsidiary Companies so far as those profits are dealt with, or provision is made for those losses in the Accounts of the Holding Company	Pro. ts/Losses of the Subsidiary Companies for the financial year ended March 31, 2013 (Figures in Million)	Pro. ts/Losses of the Subsidiary Companies for the previous financial year ended March 31, 2013 (Figures in Million)	Net aggregate amounts of profits/(losses) of Subsidiary Companies so far as it concerns the members of the Holding Company and is not dealt in the accounts of the Holding Company	Pro. ts for the previous financial years of the Subsidiary Companies since it became a subsidiary of the Holding Company (Figures in Million)	Reporting Currency	INR	INR	Changes in the interest of the Holding company in 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
49	SMR Automotive Systems France S. A. ⁹	March 31, 2013	EUR	977,337 Equity shares of EUR 28,2046 each held by SMR Automotive Technology Holding Cyprus Ltd.	977,337	100%	-	-	Nil	Nil	Pro. ts for the previous financial year of the Subsidiary Companies since it became a subsidiary of the Holding Company	Pro. ts for the previous financial years of the Subsidiary Companies since it became a subsidiary of the Holding Company (Figures in Million)	Pro. ts for the previous financial years of the Subsidiary Companies since it became a subsidiary of the Holding Company (Figures in Million)	(19.76)	(552.99)	(1,375.40)	NA	NA
50	SMR Automotive Systems India Limited ⁸	March 31, 2013	INR	6,712,990 Equity shares of ₹10 each by held Motherhood Sumi Systems Ltd. and 6,987,010 Equity shares held by SMR Automotive Technology Holding Cyprus Ltd.	13,700,000	100%	-	-	Nil	Nil	Pro. ts for the previous financial year of the Subsidiary Companies since it became a subsidiary of the Holding Company	Pro. ts for the previous financial years of the Subsidiary Companies since it became a subsidiary of the Holding Company (Figures in Million)	Pro. ts for the previous financial years of the Subsidiary Companies since it became a subsidiary of the Holding Company (Figures in Million)	336.43	125.85	336.43	NA	NA
51	SMR Automotive Yancheng Co. Limited ⁸	March 31, 2013	CNY	100 % Shares held by SMR Automotive Holding Hong Kong Limited	1	100%	-	-	Nil	Nil	Pro. ts for the previous financial year of the Subsidiary Companies since it became a subsidiary of the Holding Company	Pro. ts for the previous financial years of the Subsidiary Companies since it became a subsidiary of the Holding Company (Figures in Million)	Pro. ts for the previous financial years of the Subsidiary Companies since it became a subsidiary of the Holding Company (Figures in Million)	30.45	18.00	266.24	NA	NA
52	SMR Automotive Beijing Company Limited ⁸	March 31, 2013	CNY	100 % Shares held by SMR Automotive Holding Hong Kong Limited	1	100%	-	-	Nil	Nil	Pro. ts for the previous financial year of the Subsidiary Companies since it became a subsidiary of the Holding Company	Pro. ts for the previous financial years of the Subsidiary Companies since it became a subsidiary of the Holding Company (Figures in Million)	Pro. ts for the previous financial years of the Subsidiary Companies since it became a subsidiary of the Holding Company (Figures in Million)	20.45	11.13	178.77	NA	NA
53	SMR Automotive Mirror Technology Holding Hungary Kft ⁸	March 31, 2013	EUR	1 Equity share of HUF 3,000,000 held by SMR Automotive Technology Holding Cyprus Ltd.	1	100%	-	-	Nil	Nil	Pro. ts for the previous financial year of the Subsidiary Companies since it became a subsidiary of the Holding Company	Pro. ts for the previous financial years of the Subsidiary Companies since it became a subsidiary of the Holding Company (Figures in Million)	Pro. ts for the previous financial years of the Subsidiary Companies since it became a subsidiary of the Holding Company (Figures in Million)	(0.90)	0.03	(62.96)	NA	NA
54	SMR Automotive Systems Spain S.A.U. ⁸	March 31, 2013	EUR	194,000 Equity shares of EUR 6.01 each held by SMR Automotive Parts GmbH	194,000	100%	-	-	Nil	Nil	Pro. ts for the previous financial year of the Subsidiary Companies since it became a subsidiary of the Holding Company	Pro. ts for the previous financial years of the Subsidiary Companies since it became a subsidiary of the Holding Company (Figures in Million)	Pro. ts for the previous financial years of the Subsidiary Companies since it became a subsidiary of the Holding Company (Figures in Million)	7.07	1.36	492.07	NA	NA
55	SMR Automotive Vision Systems Mexico S.A. de C.V. ⁸	March 31, 2013	MXP	64.68 % Shares is 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	Pro. ts for the previous financial year of the Subsidiary Companies since it became a subsidiary of the Holding Company	Pro. ts for the previous financial years of the Subsidiary Companies since it became a subsidiary of the Holding Company (Figures in Million)	Pro. ts for the previous financial years of the Subsidiary Companies since it became a subsidiary of the Holding Company (Figures in Million)	10.37	5.06	45.75	NA	NA
56	SMR Automotive Servicios Mexico S.A. de C.V. ⁸	March 31, 2013	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	Pro. ts for the previous financial year of the Subsidiary Companies since it became a subsidiary of the Holding Company	Pro. ts for the previous financial years of the Subsidiary Companies since it became a subsidiary of the Holding Company (Figures in Million)	Pro. ts for the previous financial years of the Subsidiary Companies since it became a subsidiary of the Holding Company (Figures in Million)	(0.09)	1.43	(0.41)	NA	NA
57	SMR Automotive Mirrors Stuttgart GmbH ⁸	March 31, 2013	EUR	1 Equity share of EUR 25,000 each held by SMR Automotive Mirror Systems Holding Deutschland GmbH	1	100%	-	-	Nil	Nil	Pro. ts for the previous financial year of the Subsidiary Companies since it became a subsidiary of the Holding Company	Pro. ts for the previous financial years of the Subsidiary Companies since it became a subsidiary of the Holding Company (Figures in Million)	Pro. ts for the previous financial years of the Subsidiary Companies since it became a subsidiary of the Holding Company (Figures in Million)	(1.54)	2.20	(107.29)	NA	NA
58	SMR Patents SaR.L. ⁸	March 31, 2013	EUR	500 Equity shares of EUR 25 each held by SMR Automotive Mirror Parts and Holdings UK Ltd.	500	100%	-	-	Nil	Nil	Pro. ts for the previous financial year of the Subsidiary Companies since it became a subsidiary of the Holding Company	Pro. ts for the previous financial years of the Subsidiary Companies since it became a subsidiary of the Holding Company (Figures in Million)	Pro. ts for the previous financial years of the Subsidiary Companies since it became a subsidiary of the Holding Company (Figures in Million)	1.14	1.66	79.03	NA	NA
59	SMR Automotive Beteiligungen Deutschland GmbH ⁸	March 31, 2013	EUR	1 Equity share of EUR 25,000 each held by SMR Automotive Mirror Systems Holding Deutschland GmbH	1	100%	-	-	Nil	Nil	Pro. ts for the previous financial year of the Subsidiary Companies since it became a subsidiary of the Holding Company	Pro. ts for the previous financial years of the Subsidiary Companies since it became a subsidiary of the Holding Company (Figures in Million)	Pro. ts for the previous financial years of the Subsidiary Companies since it became a subsidiary of the Holding Company (Figures in Million)	2.74	1.15	190.79	NA	NA

Indian Rupee figures have been arrived at by applying the year end interbank exchange rate; Euro 1 = ₹69.60, USD 1 = ₹54.30, SGD 1 = ₹43.78, GBP 1 = ₹82.54, CZK 1 = ₹2.70, AUD 1 = ₹56.56, ZAR 1 = ₹5.89, JPY 1 = ₹0.05, CNY 1 = ₹8.74, HUF 1 = ₹0.23, MXP 1 = ₹4.41, THB 1 = ₹1.85

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

Sr. 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 Subsidiary Companies so far as those profits are dealt with, or provision is made for those losses in the Accounts of the Holding Company	Net aggregate amounts of profits/(losses) of 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 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
									Pro. ts of the Subsidiary Companies for the financial year ended 31 st March, 2013	Pro. ts 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
60	SMR Automotive Brasil Ltda. ⁸	March 31, 2013	BRL	27,178,203 share of BRL 1 each held by SMR Automotive Mirror Technology Holding Hungary Kft	27,178,203	100%	-	-	Nil	(112.81)	(217.39)	NA
61	SMR Automotive System (Thailand) Limited ⁸	March 31, 2013	THB	15,500,000 ordinary share of THB 10 each held by SMR Automotive Technology Holding Cyprus Ltd.	15,500,000	100%	-	-	Nil	(47.81)	(57.94)	NA
62	SMR Automotive Operations Japan K.K. ⁸	March 31, 2013	JPY	200,000 shares of JPY 62.5 each held by SMR Automotive Mirror Technology Holding Hungary Kft	200,000	100%	-	-	Nil	2.44	-	NA
63	SMR Automotive Systems Macedonia Dooel Skopje ⁸	March 31, 2013	EUR	1 share of EUR 5000 each held by SMR Automotive Mirror Technology Holding Hungary Kft	1	100%	-	-	Nil	(4.38)	-	NA
64	SMR Automotive Iaree Pty Limited 8 (deleted on 22.05.2012 due to deregistered)	March 31, 2013	AUD	4,500,160 Ordinary Equity shares and 1,350,000 Class A shares of AUD 2 each held by SMR Holding Australia Pty. Ltd.	5,850,160	100%	-	-	Nil	(0.01)	(143.80)	NA
65	Samvardhana Mother-son B.V.(NL) ⁹	March 31, 2013	EUR	20,500 Equity Shares of EUR 1 each held by Samvardhana Motherson Polymers Limited	20,500	100%	-	-	Nil	(484.27)	(214.77)	NA
66	Samvardhana Motherson Peguform GmbH ¹⁰ (earlier known as Forgu GmbH, Germany)	March 31, 2013	EUR	25,000 Equity Shares of EUR 1 each held by Samvardhana Motherson B.V.	25,000	100%	-	-	Nil	(832.50)	(366.64)	NA
67	SMP Deutschland GmbH ¹¹ (formerly known as Peguform GmbH)	March 31, 2013	EUR	4 shares of Euro 18,700 held by Samvardhana Motherson Peguform GmbH, 2 shares of Euro 1,300 held by Samvardhana Motherson Global Holdings Ltd.	8	78.52%	-	-	Nil	29.22	(493.86)	NA
68	SMP Automotive Solutions Personal Leasings GmbH ¹²	March 31, 2013	EUR	25,000 Equity Shares of EUR 1 each held by SMP Deutschland GmbH	25,000	100%	-	-	Nil	(0.03)	0.04	NA
69	SMP Automotive Solutions Slovakia s.r.o ¹² (earlier known as Peguform Slovakia s.r.o)	March 31, 2013	EUR	5,000 shares of EUR 1 each held by SMP Deutschland GmbH	5,000	100%	-	-	Nil	(1.82)	(66.69)	NA
70	Changchun Peguform Automotive Plastics Technology Co., Ltd. ¹²	March 31, 2013	CNY	41,500,830 Equity Shares of 1 Rmb each held by SMP Deutschland GmbH	83,000,000	50%+1 share	-	-	Nil	168.69	42.24	NA

Indian Rupee figures have been arrived at by applying the year end interbank exchange rate: Euro 1 = ₹69.60, USD 1 = ₹54.30, SGD 1 = ₹43.78, GBP 1 = ₹82.54, CZK 1 = ₹2.70, AUD 1 = ₹56.56, ZAR 1 = ₹5.89, JPY 1 = ₹0.05, KRW 1 = ₹87.4, HUF 1 = ₹0.23, MXP 1 = ₹441, THB 1 = ₹1.85

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

Sr. 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	Net aggregate amounts of profits/(losses) of 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 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		
									Pro. ts of the Subsidiary Companies for the financial year ended 31 st March, 2013 (Figures in Million)	Pro. ts/Losses of the Subsidiary Companies for the financial year ended March 31,2013 (Figures in Million)	Pro. ts 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		
71	SMP Automotive Technology Management Services (Changchun) Co. Ltd. ¹²	March 31,2013	CNY	200,000 USD Equity Shares held by SMP Deutschland GmbH	200,000	100%	-	-	Nil	(0.85)	(7.39)	(2.36)	(20.65)	NA
72	SMP Automotive Technology Iberica S.L. ¹⁰ (earlier known as Peguiform Iberica S.L.)	March 31,2013	EUR	1,892,000 shares of EUR 6.01 each held by Samvardhana Motherson B.V.	2,365,000	83.72%	-	-	Nil	(57.54)	(4,004.56)	(4.82)	(335.57)	NA
73	Samvardhana Motherson Peguiform Barcelona S.L. ¹³ (earlier known as Peguiform Module Division Iberica Cockpits s.l.)	March 31,2013	EUR	332,779 fully paid shares of EUR 0.76 each held by SMP Automotive Technology Iberica S.L.	332,779	100%	-	-	Nil	(0.17)	(12.05)	(0.43)	(29.89)	NA
74	SMP Automotive Technologies Teruel Sociedad Limitada ¹³ (earlier known as Peguiform de Teruel S.L.)	March 31,2013	EUR	3,000,000 shares of EUR 1 each held by SMP Automotive Technology Iberica S.L.	3,000,000	100%	-	-	Nil	(0.52)	(36.01)	(0.02)	(1.64)	NA
75	Samvardhana Motherson Peguiform Automotive Technology Portugal S.A. ¹³	March 31,2013	EUR	50 000 shares of EUR 1 each held by SMP Automotive Technology Iberica S.L.	50,000	100%	-	-	Nil	(1.65)	(114.76)	(0.56)	(38.72)	NA
76	SMP Automotive Systems Mexico S.A. de C.V. ¹³ (earlier known as Peguiform Mexico S.A.de C.V.)	March 31,2013	MXP	38,427 shares of \$1000 each held by SMP Automotive Technology Iberica S.L.	38,427	100% - 1 share	-	-	Nil	(74.66)	(329.34)	9.69	42.74	NA
77	SMP Tecnologia Parachoques S.A. de C.V. ¹³	March 31,2013	MXP	49 shares of 1000 MXP held by SMP Automotive Technology Iberica S.L. and 1 share of 1000 MXP held by SMP Automotive Systems Mexico S.A. C.V	50	100% - 1 share	-	-	Nil	(0.92)	(4.04)	(0.13)	(0.55)	NA
78	SMP Shock Absorber Fabrication Mexico S.A. de C.V. ¹³	March 31,2013	MXP	49 shares of 1000 MXP held by SMP Automotive Technology Iberica S.L. and 1 share of 1000 MXP held by SMP Automotive Systems Mexico S.A. C.V	50	100% - 1 share	-	-	Nil	(1.13)	(4.97)	0.12	0.53	NA
79	SMP Produtos Automotivos do Brasil Ltda. ¹³	March 31,2013	BRL	42,207,860 Shares of Reais 1 each held by SMP Automotive Technology Iberica S.L.	42,207,861	100% - 1 share	-	-	Nil	(82.22)	(2,206.36)	(10.13)	(271.78)	NA

Indian Rupee figures have been arrived at by applying the year end interbank exchange rate: Euro 1 = ₹69.60, USD 1 = ₹54.30, SGD 1 = ₹43.78, GBP 1 = ₹82.54, CZK 1 = ₹2.70, AUD 1 = ₹56.56, ZAR 1 = ₹5.89, JPY 1 = ₹0.58, KRW 1 = ₹0.05, CNY 1 = ₹8.74, HUF 1 = ₹0.23, MXP 1 = ₹4.41, THB 1 = ₹1.85

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

Sr. 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	Pro. ts of the Subsidiary Companies for the financial year ended 31 st March, 2013	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	Pro. ts/Losses of the Subsidiary Companies for the financial year ended March 31,2013 (Figures in Million)	Pro. ts for the previous financial years of the Subsidiary Companies since it became a subsidiary of the Holding Company (Figures in Million)	Changes in the interest of the 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
80	PAINTYES – Sociedade Portuguesa de Pintura, S.A. ¹³	March 31,2013	CNY	50,000 Shares of RMB 1 each held by SMP Automotive Technology Iberica S.L.	50,000	100%	-	-	Nil	Nil	8.90	77.79	-	NA	NA
81	Frosman Peguform Automotive Plastics Technology Co. Ltd. ¹²	March 31,2013	CNY	28,000,000 Shares of RMB 1 each held by SMP Deutschland GmbH	28,000,000	100%	-	-	Nil	Nil	(0.17)	(1.50)	-	NA	NA

Notes

- 1 Subsidiary of MSSL Mideast (FZE)
- 2 Subsidiary of MSSL Mauritius Holdings Limited
- 3 Subsidiary of MSSL (S) 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 Samvardhana Motherson Peguform GmbH & Samvardhana Motherson Global Holdings Limited"
- 12 Subsidiary of SMP Deutschland GmbH
- 13 Subsidiary of SMP Automotive technology Iberica S.L.

Indian Rupee figures have been arrived at by applying the year end interbank exchange rate, Euro 1 = ₹69.60, USD 1 = ₹54.30, SGD 1 = ₹43.78, GBP 1 = ₹82.54, CZK 1 = ₹2.70, AUD 1 = ₹56.56, ZAR 1 = ₹0.58, KRW 1 = ₹0.05, CNY 1 = ₹8.74, HUF 1 = ₹0.23, MXP 1 = ₹4.41, THB 1 = ₹1.85

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

S. No	Name of the Company	Country of Incorporation	MSSL Holding as at 31/03/2013	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	(Figures in ₹ Millions)	
															Taxation	PAT
1	MSSL Mauritius Holdings Limited	Mauritius	100.0%	March 31, 2013	EUR	69.60	2,632.34	(131.39)	2,958.58	-	1,496.27	2,958.58	-	(55.24)	3.92	(59.16)
2	Motherson Electrical Wires Lanka Pvt. Ltd.	Sri Lanka	100.0%	March 31, 2013	USD	54.30	8.24	1,109.57	1,142.86	78.64	-	1,142.86	1,515.37	327.73	29.25	298.48
3	MSSL Mideast (FZE)	UAE	100.0%	March 31, 2013	EUR	69.60	1,783.33	3,105.29	5,308.82	43.21	1,233.77	5,308.82	2,470.64	651.71	-	651.71
4	MSSL (S) Pte Ltd	Singapore	100.0%	March 31, 2013	SGD	43.78	505.00	83.41	655.55	60.89	512.62	655.55	-	80.45	0.46	79.99
5	MSSL Handels GmbH	Austria	100.0%	March 31, 2013	EUR	69.60	2.44	(8.73)	0.40	0.01	-	0.40	-	(0.08)	-	(0.08)
6	MSSL Automobile Component Ltd.	India	100.0%	March 31, 2013	INR	1.00	0.50	(0.12)	0.43	-	-	0.43	-	(0.09)	-	(0.09)
7	Samvardhana Motherson Polymers Ltd.	India	51.0%	March 31, 2013	INR	1.00	36.75	498.66	535.47	-	527.85	535.47	-	(1.24)	-	(1.24)
8	MSSL GB Limited ¹	UK	100.0%	March 31, 2013	GBP	82.54	0.08	50.15	312.73	1.53	-	312.73	1,221.59	85.43	20.74	64.68
9	Motherson Wiring System (FZE) ¹	UAE	100.0%	March 31, 2013	EUR	69.60	2.23	(83.61)	99.73	50.69	-	99.73	-	(30.54)	-	(30.54)
10	MSSL Tooling (FZE) ¹	UAE	100.0%	March 31, 2013	EUR	69.60	106.66	90.59	240.48	46.41	-	240.48	408.06	81.82	-	81.82
11	MSSL GmbH ¹	Germany	100.0%	December 31, 2012	EUR	69.60	17.40	241.80	783.56	70.44	413.33	783.56	130.53	(94.15)	-	(94.15)
12	MSSL Polymers GmbH ⁴	Germany	100.0%	December 31, 2012	EUR	69.60	3.56	81.93	144.48	2.29	-	144.48	457.61	(13.74)	0.00	(13.74)
13	Samvardhana Motherson Invest Deutschland GmbH ⁴	Germany	100.0%	December 31, 2012	EUR	69.60	13.92	68.75	262.73	253.25	-	262.73	91.94	2.62	0.00	2.62
14	MSSL Advanced Polymers s.r.o. ⁴	Czech Republic	100.0%	December 31, 2012	CZK	2.70	5.39	49.76	770.08	534.81	-	770.08	784.28	23.64	1.11	22.53
15	Motherson Orca Precision Technology GmbH ⁴	Germany	95.1%	December 31, 2012	EUR	69.60	69.60	13.01	388.10	26.74	-	388.10	1,052.45	(11.80)	(0.01)	(11.79)
16	MSSL s.r.l. Unipersonale ⁴	Italy	100.0%	December 31, 2012	EUR	69.60	0.70	(4.92)	12.34	2.29	-	12.34	23.65	2.45	(0.67)	3.11
17	MSSL Australia Pty Limited ¹	Australia	80.0%	March 31, 2013	AUD	56.56	197.98	86.12	320.97	0.15	0.01	320.97	-	37.52	10.87	26.64
18	Motherson Elastomers Pty. Ltd. ⁶	Australia	100.0%	March 31, 2013	AUD	56.56	0.01	248.38	478.44	136.13	-	478.44	1,240.30	43.31	12.32	30.99
19	Motherson Investment Pty. Ltd. ⁶	Australia	100.0%	March 31, 2013	AUD	56.56	0.01	(14.68)	234.29	229.18	-	234.29	-	0.65	1.19	(0.54)

Indian Rupee figures have been arrived at by applying the year end interbank exchange rate. Euro 1 = ₹69.60, USD 1 = ₹54.30, SGD 1 = ₹43.78, GBP 1 = ₹82.54, CZK 1 = ₹2.70, AUD 1 = ₹56.56, ZAR 1 = ₹0.05, JPY 1 = ₹0.58, KRW 1 = ₹0.05, CNY 1 = ₹8.74, HUF 1 = ₹0.23, MXP 1 = ₹4.41, THB 1 = ₹1.85

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

S. No	Name of the Company	Country of Incorporation	MSSL Holding as at 31/03/2013	Dates on which the subsidiary company ends financial year of the subsidiary	Reporting Currency	Exchange Rate	Share Capital	Reserve and Surplus	Total Liabilities	Net fixed Assets	Investment (Current & Non Current)	Total Assets	Sales	PBT	(Figures in ₹ Millions)	
															Taxation	PAT
20	MSSL Ireland Private Ltd.2	Ireland	100.0%	March 31, 2013	EUR	69.60	3.48	8.33	14.33	0.08	-	14.33	-	2.68	-	2.68
21	Global Environment Management (FZC)2	UAE	78.82%	March 31, 2013	AUD	56.56	355.75	(181.92)	319.73	2.53	0.00	319.73	65.92	(10.93)	-	(10.93)
22	Global Environment Management Australia Pty Ltd5	Australia	100.0%	March 31, 2013	AUD	56.56	0.00	(296.66)	15.91	0.06	-	15.91	33.76	(13.57)	-	(13.57)
23	MSSL Global RSA Module Engineering Ltd.2	South Africa	100.0%	March 31, 2013	ZAR	5.89	353.46	(325.05)	2,527.75	1,372.42	-	2,527.75	1,326.48	(118.84)	-	(118.84)
24	MSSL Japan Limited3	Japan	100.0%	March 31, 2013	JPY	0.58	10.09	(31.93)	295.23	3.17	-	295.23	1,043.56	8.47	2.74	5.73
25	Vacuform 2000 (Proprietary) Ltd.2	South Africa	51.0%	March 31, 2013	ZAR	5.89	0.00	(184.26)	269.42	127.42	-	269.42	481.99	(64.31)	-	(64.31)
26	MSSL México, S.A. De C.V.3	Mexico	100.0%	March 31, 2013	MXP	4.41	273.97	(59.14)	273.17	175.68	-	273.17	28.67	(59.14)	-	(59.14)
27	MSSL WH System (Thailand) Co., Ltd3	Thailand	100.0%	March 31, 2013	THB	1.85	96.90	(43.75)	81.31	40.52	-	81.31	0.35	(43.75)	-	(43.75)
28	MSSL Korea WH Limited3	Korea	100.0%	March 31, 2013	KRW	0.05	4.89	(1.89)	5.80	0.42	-	5.80	-	(1.89)	-	(1.89)
29	Samvardhana Motherson Global Holdings Limited2	Cyprus	51.0%	March 31, 2013	EUR	69.60	139.90	1,736.30	2,574.93	-	2,371.32	2,574.93	-	(36.58)	-	(36.58)
30	Samvardhana Motherson Reflectec Group Holdings Limited7	Jersey	93.6%	March 31, 2013	EUR	69.60	2,119.37	1,373.24	8,642.30	-	5,412.50	8,642.30	-	74.96	-	74.96
31	SMR Automotive Holding Hong Kong Limited8	Hong Kong	100.0%	March 31, 2013	EUR	69.60	160.11	67.09	228.66	-	176.26	228.66	-	150.12	11.83	138.28
32	SMR Automotive Technology Holding Cyprus Ltd.8	Cyprus	100.0%	March 31, 2013	EUR	69.60	139.05	3,259.81	3,961.41	-	3,888.17	3,961.41	-	191.47	-	191.47
33	SMR Automotive Mirror Systems Holding Deutschland GmbH8	Germany	100.0%	March 31, 2013	EUR	69.60	1.77	(3,243.55)	7,759.57	0.03	6,074.88	7,759.57	-	445.02	54.02	391.00
34	SMR Poong Jeong Automotive Mirrors Korea Ltd.8	South Korea	90.0%	March 31, 2013	KRW	0.05	220.13	2,248.88	4,803.61	1,339.94	1,019.57	4,803.61	13,231.43	568.63	58.70	509.93
35	SMR Hyosang Automotive Ltd.8	South Korea	90.0%	March 31, 2013	KRW	0.05	21.99	597.78	1,379.24	598.82	-	1,379.24	3,603.43	124.19	25.54	98.65
36	SMR Automotive (Langfang) Co. Ltd	Korea	100.0%	March 31, 2013	CNY	8.74	426.35	(8.97)	908.38	676.49	-	908.38	-	(8.97)	-	(8.97)

Indian Rupee figures have been arrived at by applying the year end interbank exchange rate: Euro 1 = ₹69.60, USD 1 = ₹54.30, SGD 1 = ₹43.78, GBP 1 = ₹82.54, CZK 1 = ₹270, AUD 1 = ₹56.56, ZAR 1 = ₹0.05, CNY 1 = ₹8.74, HUF 1 = ₹0.23, MXP 1 = ₹4.41, THB 1 = ₹1.85

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

S.No	Name of the Company	Country of Incorporation	MSSL Holding as at 31/03/2013	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	(Figures in ₹ Millions)	
															Taxation	PAT
37	SMR Holding Australia Pty Limited ^a	Australia	100.0%	March 31,2013	AUD	56.56	1,919.43	(18.34)	2,011.70	-	1,830.86	2,011.70	-	221.17	(1.52)	222.70
38	SMR Automotive Australia Pty Limited ^a	Australia	100.0%	March 31,2013	AUD	56.56	638.22	1,046.24	3,585.06	732.42	29.69	3,585.06	6,454.44	679.28	220.53	458.75
39	SMR Automotive Mirror Technology Hungary Bt ^a	Hungary	100.0%	March 31,2013	EUR	69.60	70.11	(26.31)	7,925.26	3,565.44	-	7,925.26	18,484.88	(457.96)	-	(457.96)
40	SMR Grundbesitz GmbH & Co. KG ^a	Germany	94.0%	March 31,2013	EUR	69.60	3.87	327.31	985.68	382.96	-	985.68	-	32.42	15.47	16.96
41	SMR Automotive Mirror Parts and Holdings UK Ltd. ^a	UK	100.0%	March 31,2013	EUR	69.60	-	312.44	4,590.37	-	1,394.61	4,590.37	-	(24.71)	-	(24.71)
42	SMR Automotive Services Porchester Limited ^a	UK	100.0%	March 31,2013	GBP	82.54	128.76	(128.76)	-	-	-	-	-	-	-	-
43	SMR Automotive Mirrors UK Limited ^a	UK	100.0%	March 31,2013	EUR	69.60	-	2,110.81	4,683.85	526.82	-	4,683.85	9,474.26	258.08	49.14	208.94
44	SMR Automotive Technology Valencia SAU ^a	Spain	100.0%	March 31,2013	EUR	69.60	361.90	(183.20)	230.98	155.14	4.37	230.98	-	(3.54)	-	(3.54)
45	SMR Automotive Services UK Ltd. ^a	UK	100.0%	March 31,2013	GBP	82.54	49.86	(36.81)	13.04	-	2.06	13.04	-	0.25	-	0.25
46	SMR Automotive Technology Holdings USA Partners ^a	USA	100.0%	March 31,2013	USD	54.30	1,189.23	(3,010.20)	4,718.73	-	-	4,718.73	-	(208.08)	-	(208.08)
47	SMR Automotive Mirror International USA Inc. ^a	USA	100.0%	March 31,2013	USD	54.30	5,098.82	24.41	5,550.09	-	-	5,550.09	-	88.18	-	88.18
48	SMR Automotive Systems USA Inc. ^a	USA	100.0%	March 31,2013	USD	54.30	4.07	2,619.10	3,894.24	1,007.57	-	3,894.24	7,656.51	614.17	228.78	385.39
49	SMR Automotive Systems France S. A. ^a	France	100.0%	March 31,2013	EUR	69.60	1,918.51	(2,149.43)	1,453.73	610.75	-	1,453.73	3,125.77	(480.01)	(7.77)	(472.24)
50	SMR Automotive Systems India Limited ^a	India	100.0%	March 31,2013	INR	1.00	137.00	564.93	1,464.43	365.37	-	1,464.43	3,129.32	185.10	59.25	125.85
51	SMR Automotive Yancheng Co. Limited ^a	China	100.0%	March 31,2013	CNY	8.74	171.21	245.48	635.87	92.25	-	635.87	888.08	173.44	46.12	127.33
52	SMR Automotive Beijing Company Limited ^a	China	100.0%	March 31,2013	CNY	8.74	29.38	276.58	693.45	108.71	-	693.45	1,979.13	128.22	37.35	90.88
53	SMR Automotive Mirror Technology Holding Hungary Kft ^a	Hungary	100.0%	March 31,2013	EUR	69.60	0.71	813.03	987.90	-	983.22	987.90	0.51	(5.01)	(2.57)	(2.44)
54	SMR Automotive Systems Spain S.A.U. ^a	Spain	100.0%	March 31,2013	EUR	69.60	81.15	433.58	2,287.36	636.85	0.32	2,287.36	2,127.02	133.99	40.14	93.85

Indian Rupee figures have been arrived at by applying the year end interbank exchange rate. Euro 1 = ₹69.60, USD 1 = ₹54.30, SGD 1 = ₹43.78, GBP 1 = ₹82.54, CZK 1 = ₹2.70, AUD 1 = ₹56.56, ZAR 1 = ₹5.89, JPY 1 = ₹0.05, KRW 1 = ₹0.05, CNY 1 = ₹8.74, HUF 1 = ₹0.23, MXP 1 = ₹4.41, THB 1 = ₹1.85

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

S.No	Name of the Company	Country of Incorporation	MSSL Holding as at 31/03/2013	Dates on which financial year of the subsidiary company ends	Exchange Rate	Share Capital	Reserve and Surplus	Total Liabilities	Net Fixed Assets	Investment (Current & Non Current)	Total Assets	Sales	PBT	(Figures in ₹ Millions)	
														Taxation	PAT
55	SMR Automotive Vision Systems Mexico S.A. de C.V. ⁸	Mexico	100.0%	March 31, 2013	4.41	349.19	334.10	2,923.76	887.45	23.59	2,923.76	3,443.79	295.38	85.33	210.05
56	SMR Automotive Servicios Mexico S.A. de C.V. ⁵	Mexico	100.0%	March 31, 2013	4.41	0.22	23.37	105.82	-	-	105.82	412.57	7.70	9.25	(1.55)
57	SMR Automotive Mirrors Stuttgart GmbH ⁸	Germany	100.0%	March 31, 2013	69.60	1.74	(19.93)	2,878.38	134.99	6.96	2,878.38	200.58	(18.80)	7.26	(26.05)
58	SMR Patents S.a.R.L. ⁸	Luxembourg	100.0%	March 31, 2013	69.60	0.87	37.15	424.41	-	-	424.41	-	126.64	11.19	115.45
59	SMR Automotive Beteiligungsgen Deutschland GmbH ⁸	Germany	100.0%	March 31, 2013	69.60	1.74	279.28	415.33	-	-	415.33	-	(30.32)	3.65	(33.97)
60	SMR Automotive Brasil Ltda. ⁸	Brasil	100.0%	March 31, 2013	26.83	729.31	(321.96)	1,122.33	835.61	-	1,122.33	239.88	(137.50)	-	(137.50)
61	SMR Automotive System (Thailand) Limited ⁸	Thailand	100.0%	March 31, 2013	1.85	287.45	(106.04)	725.62	437.03	-	725.62	638.34	(47.26)	-	(47.26)
62	SMR Automotive Operations Japan K.K. ⁸	Japan	100.0%	March 31, 2013	0.58	14.41	2.44	21.97	-	-	21.97	-	2.44	0.00	2.44
63	SMR Automotive Systems Macedonia Doel Skopje ⁸	Macedonia	100.0%	March 31, 2013	69.60	0.35	(4.55)	0.16	-	-	0.16	-	(4.41)	-	(4.41)
64	SMR Automotive Taree Pty Limited ⁸ (deleted on 22.05.2012 due to deregistered)	Australia	100.0%	March 31, 2013	56.56	661.82	(661.82)	-	-	-	-	-	(0.40)	-	(0.40)
65	Samvardhana Motherhood BV (NL) ⁹	Netherlands	100.0%	December 31, 2012	69.60	1.25	(526.22)	4,221.33	-	3,514.27	4,221.33	-	(654.79)	-	(654.79)
66	Samvardhana Motherhood Peguform GmbH ¹⁰ (earlier known as Forgu GmbH, Germany)	Germany	100.0%	December 31, 2012	69.60	1.74	1,188.71	10,690.19	-	7,863.80	10,690.19	-	1,927.16	206.93	1,720.24
67	SMP Deutschland GmbH ¹¹ (formerly known as Peguform GmbH)	Germany	78.52%	December 31, 2012	69.60	-	4,761.88	28,916.07	9,094.92	772.31	28,916.07	64,436.50	2,161.31	98.80	2,062.51
68	SMP Automotive Solutions Personal Leasings GmbH ¹²	Germany	100.0%	December 31, 2012	69.60	1.74	19.93	28.61	-	-	28.61	171.85	(2.16)	0.01	(2.18)
69	SMP Automotive Solutions Slovakia s.r.o. ¹² (earlier known as Peguform Slovakia s.r.o.)	Slovakia	100.0%	December 31, 2012	69.60	0.35	(178.59)	243.27	173.63	-	243.27	350.84	(111.61)	12.23	(123.84)
70	Changchun Peguform Automotive Plastics Technology Co., Ltd. ¹²	China	50%+1 share	December 31, 2012	8.74	725.68	2,701.42	6,088.44	2,051.23	244.81	6,088.44	11,569.04	1,599.44	277.74	1,321.70

Indian Rupee figures have been arrived at by applying the year end interbank exchange rate, Euro 1 = ₹69.60, USD 1 = ₹54.30, SGD 1 = ₹43.78, GBP 1 = ₹82.54, CZK 1 = ₹2.70, AUD 1 = ₹56.56, ZAR 1 = ₹5.89, JPY 1 = ₹0.58, KRW 1 = ₹0.05, CNY 1 = ₹8.74, HUF 1 = ₹0.23, MXP 1 = ₹4.41, THB 1 = ₹1.85

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

S. No	Name of the Company	Country of Incorporation	MSSL Holding as at 31/03/2013	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	(Figures in ₹ Millions)	
															Taxation	PAT
71	SMP Automotive Technology Management Services (Changchun) Co. Ltd. ¹²	China	100.0%	December 31, 2012	CNY	8.74	11.74	(31.57)	16.34	2.37	-	16.34	-	5.46	3.18	2.28
72	SMP Automotive Technology Iberica S.L. ¹⁰ (earlier known as Peguiform Iberica S.L.)	Spain	83.72%	December 31, 2012	EUR	69.60	989.32	(2,358.04)	10,013.88	2,513.18	1,772.34	10,013.88	10,698.14	(3,592.01)	333.25	(3,925.26)
73	Samvardhana Motherson Peguiform Barcelona S.L.U ¹³ (earlier known as Peguiform Module Division Iberica Cockpits s.l.)	Spain	100.0%	December 31, 2012	EUR	69.60	17.61	(8.56)	2,022.14	255.23	778.57	2,022.14	24,203.80	22.62	51.16	(28.54)
74	SMP Automotive Technologies Teruel Sociedad Limitada ¹¹ (earlier known as Peguiform de Teruel S.L.)	Spain	100.0%	December 31, 2012	EUR	69.60	208.81	(88.74)	413.57	318.98	2.64	413.57	624.75	27.35	77.88	(50.53)
75	Samvardhana Motherson Peguiform Automotive Technology Portugal S.A. ¹³	Portugal	100.0%	December 31, 2012	EUR	69.60	3.48	35.69	605.23	252.66	-	605.23	5,634.61	(108.84)	43.32	(152.15)
76	SMP Automotive Systems Mexico S.A. de C.V. ¹³ (earlier known as Peguiform Mexico S.A. de C.V.)	Mexico	100%-1share	December 31, 2012	MXP	4.41	183.47	(11.78)	2,373.13	817.97	-	2,373.13	4,536.42	(306.55)	19.42	(325.97)
77	SMP Tecnologia Parachoques S.A. de C.V. ¹³	Mexico	100%-1share	December 31, 2012	MXP	4.41	0.23	2.68	26.26	-	-	26.26	203.33	1.94	5.11	(3.17)
78	SMP Shock Absorber Fabrication Mexico S.A. de C.V. ¹³	Mexico	100%-1share	December 31, 2012	MXP	4.41	0.23	13.33	48.78	-	-	48.78	290.29	5.55	10.07	(4.53)
79	SMP Produtos Automotivos do Brasil Ltda. ¹³	Brazil	100%-1share	December 31, 2012	BRL	26.83	1,132.64	(2,162.82)	4,795.65	2,863.34	-	4,795.65	7,082.94	(2,115.35)	19.03	(2,134.38)
80	Foshan Peguiform Automotive Plastics Technology Co. Ltd. ¹²	China	100.0%	December 31, 2012	CNY	8.74	244.81	-	245.78	82.82	-	245.78	-	-	-	-

Notes

- Subsidiary of MSSL Mideast (FZE)
- Subsidiary of MSSL Mauritius Holdings Limited
- Subsidiary of MSSL (S) Pre Ltd.
- Subsidiary of MSSL GmbH
- Subsidiary of Global Environment Management (EZC)
- Subsidiary of MSSL Australia Pty Limited
- Subsidiary of Samvardhana Motherson Global Holdings Limited
- Subsidiary of Samvarhana Motherson Reflectec Group Holdings Limited
- Subsidiary of Samvardhana Motherson Polymers Limited
- Subsidiary of Samvardhana Motherson B.V.(NL)
- "Subsidiary of Samvardhana Motherson Peguiform GmbH & Samvardhana Motherson Global Holdings Limited"
- Subsidiary of SMP Deutschland GmbH
- Subsidiary of SMP Automotive Technology Iberica S.L.

Indian Rupee figures have been arrived at by applying the year end interbank exchange rate, Euro 1 = ₹69.60, USD 1 = ₹54.30, SGD 1 = ₹43.78, GBP 1 = ₹82.54, CZK 1 = ₹2.70, AUD 1 = ₹56.56, ZAR 1 = ₹5.89, JPY 1 = ₹0.58, KRW 1 = ₹0.05, CNY 1 = ₹8.74, HUF 1 = ₹0.23, MXP 1 = ₹441, THB 1 = ₹1.85

Consolidated Financial Statements

Independent Auditors' Report

To the Board of Directors of Motherson Sumi Systems Limited

1. We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") 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 36 to the attached consolidated financial statements) which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

Management's Responsibility for the Consolidated Financial Statements

2. The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. 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 Section 211(3C) of the Companies Act, 1956.

7. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to in paragraph 9 below, and to the best of our information and according to the explanations given to us, in our opinion, the accompanying 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, 2013;
 - (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter(s)

8. We did not audit the financial statements of eighteen subsidiaries and three jointly controlled entities included in the consolidated financial statements, which constitute total assets of ₹90,981 Mn and net assets of ₹13,501 Mn as at March 31, 2013, total revenue of ₹199,155 Mn, net profit of ₹671 Mn and net cash flows amounting to ₹59 Mn for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.
9. We did not audit the financial statements of thirty three subsidiaries, three jointly controlled entities which constitute total assets of ₹3,229 Mn and net assets of ₹384 Mn as at March 31, 2013, total revenue of ₹3,522 Mn, net profit of ₹220 Mn and net cash flows amounting to ₹127 Mn for the year then ended; and one associate company included in the consolidated financial statements, which constitutes net profit of ₹1 Mn for the period from April 1, 2012 to March 31, 2013. The unaudited financial information has been provided to us by the management, and our opinion on the consolidated financial statements to the extent they relate to these subsidiaries, jointly controlled entities and associate company is based solely on such unaudited financial information furnished to us.

For Price Waterhouse
Firm Registration Number: 012754N
Chartered Accountants

Anupam Dhawan
Partner

Place: Noida
Date : May 17, 2013

Membership Number 084451

Consolidated Balance Sheet

(All amounts in ₹ Million, unless otherwise stated)

	Note	As At March 31, 2013	As At March 31, 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	588	388
Reserves and Surplus	4	22,302	18,325
		22,890	18,713
Share Capital Suspense account	5	-	4
Minority Interest		4,025	5,027
Non Current Liabilities			
Long term borrowings	6	27,159	29,611
Deferred tax liabilities (net)	7	1,441	1,506
Other long term liabilities	8	2,388	1,640
Long term provisions	9	1,679	1,100
		32,667	33,857
Current Liabilities			
Short term borrowings	10	13,553	11,678
Trade payables	11	31,808	30,981
Other current liabilities	12	19,756	16,790
Short term provisions	13	3,576	3,512
		68,693	62,961
TOTAL EQUITY AND LIABILITIES		128,275	120,562
ASSETS			
NON CURRENT ASSETS			
Fixed Assets	14		
Tangible assets		50,563	45,077
Intangible assets		2,207	1,845
Capital work in progress		3,855	4,444
Intangible assets under development		4	14
Non current investments	15	716	938
Deferred tax assets (net)	16	882	904
Long term loans and advances	17	1,507	1,555
Other non-current assets	18	1,354	1,395
		61,088	56,172
Current Assets			
Current investments*	19	0	0
Inventories	20	26,036	22,496
Trade receivables	21	29,400	30,127
Cash and bank balances	22	5,944	4,557
Short term loans and advances	23	5,805	7,209
Other current assets	24	2	1
		67,187	64,390
TOTAL ASSETS		128,275	120,562

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.: 084451

Place: Noida

Date : May 17, 2013

V.C. SEHGAL

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 ₹ Million, unless otherwise stated)

	Note	For the Year Ended March 31, 2013	For the Year Ended March 31, 2012
REVENUE			
Revenue from operations (gross)	25	258,788	151,381
Less: Excise duty		5,664	3,615
Revenue from operations (net)		253,124	147,766
Other Income	26	3,215	1,445
TOTAL REVENUE		256,339	149,211
EXPENSES			
Cost of materials consumed	27	166,860	93,375
Purchase of stock-in-trade		1,008	891
Statement of changes in inventories of finished goods, work-in-progress and stock in trade	28	(3,030)	1,169
Employee benefit expenses	29	42,827	23,170
Other expenses	30	30,692	20,236
TOTAL EXPENSES		238,357	138,841
ProBt before Interest, depreciation and exceptional items		17,982	10,370
Finance costs	31	2,495	1,649
ProBt for the year before depreciation and exceptional items		15,487	8,721
Depreciation and amortization expense	32	7,145	3,796
Exceptional Items (Gains)/ Losses	33	-	809
ProBt before tax		8,342	4,116
Tax Expenses			
-Current tax		3,851	2,025
-Deferred tax expense/ (credit)		(20)	93
-Fringe benefit tax		50	42
-Income tax for earlier years		(46)	(7)
ProBt after tax before share of results of associates and minority interests		4,507	1,963
Less: Minority Interest		70	(631)
Add: Share of net profit of associates		8	2
ProBt for the year from continuing operations		4,445	2,596
Earnings per share: (Refer Note 40)			
Nominal value per share: ₹1/- (Previous year : ₹1/-)			
Basic : ₹ per share		7.6	4.4
Diluted : ₹ Per share		7.6	4.4
Summary of significant accounting policies	2		

This is the Consolidated Statements of Profit & Loss 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.: 084451

Place: Noida

Date : May 17, 2013

V.C. SEHGAL

Chairman

G.N. GAUBA

Co. Secretary & V.P. Finance

HIDEAKI UESHIMA

Director

PANKAJ MITAL

Chief Operating Officer

Consolidated Cash Flow Statement

(All amounts in ₹ Million, unless otherwise stated)

	For the Year Ended March 31, 2013	For the Year Ended March 31, 2012
A. Cash flow from operating activities:		
Net (loss)/profit before tax and exceptional/extraordinary items	8,350	4,927
Adjustments for:		
Share of profit in associate	(8)	(2)
Depreciation & Impairment	7,145	3,814
Interest expenditure	2,495	1,649
Interest income	(121)	(118)
Dividend income	(2)	(1)
(Profit) / loss on sale of tangible assets (net)	(93)	(109)
Provision for diminution in value of current investment *	(1)	0
Debts / Advances written off	90	98
Provision for Bad & Doubtful Debts / Advances	115	-
Liability no longer required written back	(286)	(208)
Provision for employee benefits	190	33
Provision for warranty	(9)	74
Unrealised foreign currency loss	1,676	1,883
Operating profit before working capital changes	19,541	12,040
Change in working Capital:		
(Increase)/Decrease in trade and other payables	1,283	2,605
(Increase)/Decrease in trade receivables	561	(8,202)
(Increase)/Decrease in inventories	(3,540)	445
(Increase)/Decrease in other receivables	677	1,795
Cash generated from operations	18,522	8,683
- Taxes (Paid) / Received (Net of TDS)	(3,662)	(2,031)
Net cash generated from operations before extraordinary items	14,860	6,651
- Extraordinary /exceptional Item (Expense)/ Income	-	(764)
Net cash generated from operating activities	14,860	5,887
B. Cash flow from investing activities:		
Purchase/ additions of tangible / intangible assets	(11,389)	(10,758)
Sale of tangible / intangible assets	494	421
Sale / (purchase) of investments	(13)	(22)
Purchase of minority interest in subsidiary	-	(1)
Interest received (revenue)	116	72
Dividend received	2	2
Consideration paid on acquisition of subsidiaries	-	(9,958)
Consideration paid on acquisition of associates	-	(454)
Net cash used in investing activities	(10,790)	(20,698)

Consolidated Cash Flow Statement

(All amounts in ₹ Million, unless otherwise stated)

	For the Year Ended March 31, 2013	For the Year Ended March 31, 2012
C. Cash flow from financing activities:		
Proceeds from Minority Shareholders	260	5
Dividend Paid	(868)	(1,063)
Dividend Distribution Tax	(144)	(174)
Dividend Paid to Minority Share holders	(1,120)	-
Interest paid	(2,537)	(1,471)
Proceeds from Long Term borrowings	4,463	26,181
Proceeds from Short Term borrowings	8,098	15,314
Repayment of Long Term Borrowings	(5,087)	(13,726)
Repayment of Short Term Borrowings	(5,639)	(11,166)
Proceeds from Share Allotment	-	(100)
Proceeds from Government subsidy	16	-
Net cash used in financing activities	(2,558)	13,800
Net Increase/(Decrease) in Cash & Cash Equivalents	1,512	(1,011)
Net Cash and Cash equivalents at the beginning of the year	4,429	3,480
Cash and cash equivalents as at April 1, 2011 - acquired consequent to amalgamation of India Nails, MGWL and SMIEL (Refer note 37)	-	1,957
Cash and cash equivalents as at current year closing	5,941	4,426
Cash and cash equivalents comprise		
Cash on hand	30	27
Cheques / drafts on hand	30	18
Balance with Banks	5,785	4,384
Cash and cash equivalents as per Balance Sheet (restated)	5,845	4,429
Effect of exchange differences on balance with banks in foreign currency	96	(3)
Total	5,941	4,426
(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.: 084451
Place: Noida
Date : May 17, 2013

V.C. SEHGAL
Chairman

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

HIDEAKI UESHIMA
Director

PANKAJ MITAL
Chief Operating Officer

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

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, Ahmadabad Stock Exchange and Delhi Stock Exchange. The Company is a joint venture entity between Samvardhana Motherson International Limited (SMIL) and Sumitomo Wiring Systems Limited, Japan. The group comprises of MSSL and its directly and indirectly held 82 subsidiaries, 12 Joint ventures and 1 associate. The group has manufacturing plants in India, Sri Lanka, Thailand, United Arab Emirates (UAE), Australia, United Kingdom (UK), Germany, Hungary, Portugal, Spain, France, Slovakia, China, South Korea, USA, Brazil, Mexico, Czech Republic, Japan, South Africa, and Ireland.

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 unrealized 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 recognized in the financial statements as goodwill. Negative goodwill is recognized 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 up to same reporting dates to the extent practicable and where financial statements used are drawn up to different reporting dates

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

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 ₹14,110 Mn (Previous Year ₹11,896 Mn) as at March 31, 2013. Such inventories are 54.3% (Previous Year 53%) of the group's total inventories.

2.3 Early adoption of Accounting Standard 30

During the year the Company has adopted the principles of Accounting Standard 30, Financial Instruments: Measurement and Recognition, in respect of accounting for derivative contracts at fair value in the Statement of Profit and Loss to the extent they do not conflict with the requirements of the existing accounting standards notified under u/s 211(3C) of the Companies Act, 1956 and/or other regulatory requirements.

Consequently, in respect of the various swap contracts entered by the Company to hedge its liability in respect of outstanding foreign currency loan, the Company has decided during the year to discontinue with the existing policy of recognising the foreign currency loan at the swap rate and change the policy to account for the exchange differences on foreign currency loan under Accounting Standard 11 and Mark to Market (MTM) the swap contract in accordance with Accounting Standard 30, Financial Instruments: Measurement and Recognition, which allows recognition of both.

Had the Company followed accounting policy hitherto followed in relation to loan and the swap contracts, the profit before tax for the year and total assets for the year ended March 31, 2013 would have been lower by ₹60 Mn.

2.4 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 ₹350,000 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 realizable value and are shown separately in the financial statements. Any expected loss is recognized 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 recognized 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 consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

	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	1.63- 20
Plant & Machinery	10.34-35	5-33
Furniture & fixtures	16.67	6.67-33.33
Office equipments	16.67	10-25
Computers	33.33	6.67-33.33
Vehicles	25	8.33-33.33

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.

2.5 Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized 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 amortization period and the amortization 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 amortization 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.

2.6 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 recognized in Statement of Profit and Loss in the period in which they are incurred.

2.7 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 recognized for an asset in prior accounting periods may no longer exist or may have decreased.

2.8 Investments

Investments (other than investment in subsidiaries, joint ventures and associates) that are readily realizable 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

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

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 recognize 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 land and buildings that are not intended to be occupied substantially for use by, or in the operations of the Company, has been classified as investment property. Investment properties are carried at cost less accumulated depreciation. Refer note 2.4 for depreciation rates used for buildings.

2.9 Inventories

Inventories are stated at lower of cost and net realizable 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.

2.10 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 recognized 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 amortized as expense or income over the life of the contract. Exchange differences on such a contract are recognized 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 recognized 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 recognized 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.

2.11 Derivative Transactions

The Company has adopted the principles of Accounting Standard 30, Financial Instruments: Measurement and Recognition, in respect of accounting for derivative contracts at fair value in the Statement of Profit and Loss to the extent they do not conflict with the requirements of the existing accounting standards notified under section 211(3C) of the Companies Act, 1956 and/or other regulatory requirements. Accordingly, these contracts are marked to market and corresponding gain or loss is accounted for in the Statement of profit and loss.

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

2.12 Revenue Recognition

Sale of goods

Sales are recognized 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 recognized net of service tax.

2.13 Other Income

Interest

Interest income is recognized 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 recognized when the right to receive dividend is established.

2.14 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 recognized 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 recognized 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

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

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 recognized 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 unrecognized 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 realize 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 realizable immediately at the balance sheet date. The economic benefit available does not depend on how the Group intends to use the surplus. The Group determines the maximum economic benefit that is available from refund, reduction in future contributions or a combination of both. Legal or contractual minimum funding requirements in general stipulate a minimum amount or level of contributions that must be made to a plan over a given period. Therefore, a minimum funding requirement may limit the ability of the entity to reduce future contributions and considered respectively in determining the economic benefit from the plan.

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

Other Long term benefits

The Group recognizes 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.

2.15 Government grants

Government grants are recognized 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. Government grants that are given with reference to total capital outlay are credited to capital reserve and treated as a part of shareholders' funds.

2.16 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 recognized for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognized 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 realized. 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 unrecognized 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 recognized 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 consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

Minimum Alternative Tax credit is recognized 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.

2.17 Provisions and Contingent Liabilities

Provisions

Provisions are recognized 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.

2.18 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 recognized 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.

2.19 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.

2.20 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, 2013	As At March 31, 2012
3. SHARE CAPITAL		
Authorised	2,873	2,873
2,873,000,000 Equity Shares of ₹1/- each (Previous Year 2,873,000,000 Equity Shares of ₹1/- each)		
25,000,000 8% Convertible Cumulative Preference Shares of ₹10/- each (Previous Year 25,000,000 Preference Shares of ₹10/- each)	250	250
Issued	588	388
587,949,440 ¹ Equity Shares of ₹1/- each (Previous Year 387,547,000 Equity Shares of ₹1/- each)		
Subscribed and Paid up	588	388
587,946,240 ¹ Equity Shares of ₹1/- each (Previous Year 387,543,800 Equity Shares of ₹1/- each)		
TOTAL	588	388

¹ During the year the Company has made allotment of 195,982,080 equity shares of ₹1/- each as bonus shares in proportion of one equity share for every two equity shares.

a. Reconciliation of number of shares

Equity Shares:	As at March 31, 2013		As at March 31, 2012	
	Numbers	Amount	Numbers	Amount
Balance as at the beginning of the year	387,543,800	388	387,543,800	388
Add: Shares issued to the shareholders of erstwhile Sumi Motherson Innovative Engineering Limited (SMIEL) merged with the Company w.e.f. April 1, 2011, as part of a scheme on amalgamation	4,420,360	4	-	-
Add: Bonus Shares issued by capitalisation of Securities Premium Account during the year	195,982,080	196	-	-
Balance as at the end of the year	587,946,240	588	387,543,800	388

Preference Shares:	As at March 31, 2013		As at March 31, 2012	
	Numbers	Amount	Numbers	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		-	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

(All amounts in ₹ Million, unless otherwise stated)

c. Aggregate number of Shares allotted as fully paid up by way of bonus shares during 5 years immediately preceeding March 31,2013

	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009
Equity shares allotted as fully paid bonus shares by capitalization of securities premium	313,426,680	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.

Equity Shares:	As at March 31, 2013		As at March 31, 2012	
	Numbers	%	Numbers	%
Samvardhana Motherson International Limited (formerly Samvardhana Motherson Finance Limited)	212,354,376	36.12%	140,858,015	36.35%
Sumitomo Wiring Systems Limited	148,675,903	25.29%	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.

	As At March 31, 2013		As At March 31, 2012	
	Amount	Amount	Amount	Amount
4. RESERVES AND SURPLUS				
Revaluation Reserve				
Balance as at the beginning of the year	96		96	
Additions during the year	-		-	
Balance as at the end of the year		96		96
Reserve on Amalgamation				
Balance as at the beginning of the year	1,663		1,242	
Additions on Amalgamation ¹	-		421	
Balance as at the end of the year		1,663		1,663
Securities Premium Account				
Balance as at the beginning of the year	3,653		3,653	
Deductions during the year ²	(196)		-	
Balance as at the end of the year		3,457		3,653
General Reserve				
Balance as at the beginning of the year	2,350		1,905	
Transfer from Profit & Loss Account	536		481	
Additions on Amalgamation ¹	-		64	
Deductions during the year ³	-		(100)	
Balance as at the end of the year		2,886		2,350
Exchange Reserve on Consolidation				
Balance as at the beginning of the year	978		458	
Additions during the year	1,095		520	
Balance as at the end of the year		2,073		978
Capital Reserve on Consolidation				
Balance as at the beginning of the year	1,315		1,315	
Additions during the year	-		0	
Deductions during the year	-		-	
Balance as at the end of the year		1,315		1,315

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2013		As At March 31, 2012	
	Amount	Amount	Amount	Amount
Surplus in Statement of Profit and Loss				
Balance as at the beginning of the year	8,120		7,031	
Additions during the year	4,445		2,596	
Transfer to General Reserve	(536)		(481)	
Additions on Amalgamation ¹	-		41	
Deductions during the year:				
Proposed dividend (Refer Note 13)	(1,176)		(890)	
Tax on dividend (Refer Note 13)	(200)		(144)	
Tax paid consolidated companies - for earlier years	(56)		(33)	
Balance as at the end of the year		10,597		8,120
Capital Redemption Reserve				
Balance as at the beginning of the year	150		-	
Additions during the year ³	-		100	
Additions on Amalgamation ¹	-		50	
Balance as at the end of the year		150		150
Capital Reserve				
Balance as at the beginning of the year	-		-	
Additions during the year ⁴	65		-	
Deductions during the year	-		-	
		65		-
Total		22,302		18,325

¹ On amalgamation of erstwhile Sumi Motherson Innovative Engineering Limited (SMIEL) with the Company (Refer Note 37)

² During the year the Company has made allotment of 195,982,080 equity shares of ₹1/- each as bonus shares by capitalisation of Securities Premium Account.

³ On redemption of 8% Convertible Cumulative Preference Shares of erstwhile Sumi Motherson Innovative Engineering Limited (SMIEL).

⁴ Being industrial promotion subsidy under Package Scheme of Incentives 2007 in respect of its unit at Pune recognised during the year in accordance with Accounting Standard 12.

Bracket denotes appropriations / deductions.

	As At March 31, 2013	As At March 31, 2012
5. SHARE CAPITAL SUSPENSE ACCOUNT		
Nil Equity shares (Previous year 4,420,360) 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. ¹	-	4
TOTAL	-	4

¹ On amalgamation of erstwhile Sumi Motherson Innovative Engineering Limited (SMIEL) with the Company (Refer Note 37)

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

	Non Current Portion		Current Maturities	
	As At March 31, 2013	As At March 31, 2013	As At March 31, 2013	As At March 31, 2013
6. LONG TERM BORROWINGS				
Secured:				
i) Term loan from banks				
- Foreign currency loan	21,157	25,139	6,898	3,701
ii) Term loan from others				
- Indian rupee loan	26	37	13	12
- Finance lease liabilities	1,725	1,200	483	507
Unsecured:				
i) Term loan from banks				
- foreign currency loan	3,647	2,799	918	487
ii) Term loan from others				
- Indian rupee loan	2	2	-	-
- Foreign currency loan	570	410	15	27
- Foreign currency loan - from related party (Refer note 43)	32	24	-	-
Amounts disclosed under the head "other current liabilities" (Refer Note 12)			(8,327)	(4,734)
Total	27,159	29,611	0	0

(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 ₹4,885 Mn (March 31, 2012 : ₹4,058 Mn) 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.	<ol style="list-style-type: none"> 1) ₹210 Mn (March 31, 2012 : ₹409 Mn) is repayable in 2 half yearly instalments till March 2014. 2) ₹542 Mn (March 31, 2012 : ₹712 Mn) is repayable in 5 half yearly instalments till July 2015. 3) ₹977 Mn (March 31, 2012 : ₹Nil) repayable in 4 half yearly installments starting from March 2017 till September 2018. 4) ₹340 Mn (March 31, 2012 : ₹445 Mn) is repayable in 10 quarterly instalments till September 2015 5) ₹373 Mn (March 31, 2012 : ₹457 Mn) is repayable in 11 quarterly instalments till December 2015 6) ₹1,357 Mn (March 31, 2012: ₹1,272 Mn) is repayable in 10 half yearly instalments starting from February 2014 till August 2018. 7) ₹760 Mn (March 31, 2012: ₹763 Mn) is repayable in 10 half yearly instalments starting from August 2012 till February 2018. 8) Loan amounting to ₹326 Mn (March 31, 2012 : nil) repayable in 8 half yearly installments starting from February 2014 till August 2017 <p>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.</p>

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

ii	Loan amounting to ₹17 Mn (March 31, 2012 : ₹27 Mn) secured by pledge of plant & machinery of Samvardhana Motherson Invest Deutschland GmbH	<p>1) ₹13 Mn (March 31, 2012 : ₹22 Mn) is repayable in monthly instalments until December 2014.</p> <p>2) ₹4 Mn (March 31, 2012 : ₹5 Mn) is repayable in monthly instalments until June 2015.</p> <p>The applicable rate of interest in respect of these loans is within a range of 5% p.a. to 9% p.a.</p>
iii	Loan amounting to ₹32 Mn (March 31, 2012 : 43 Mn) 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.
iv	Loan amounting to ₹23 Mn (March 31, 2012 : ₹147 Mn) 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 2 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 5% to 8% p.a.
v	<p>Loan amounting to ₹6,903 Mn (March 31, 2012: ₹6,691 Mn) secured by:</p> <p>(a) first priority pari-passu charge over all assets of the Samvardhana Motherson Peguform GmbH (earlier known as Forgu GmbH, Germany) 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).</p> <p>(b) Pledge over shares of the Samvardhana Motherson Peguform GmbH (earlier known as Forgu GmbH, Germany) and Samvardhana Motherson B.V.</p> <p>(c) Second charge over assets of SMP Deutschland GmbH (formerly Peguform GmbH) and all its German subsidiaries.</p> <p>(d) Corporate Guarantee of the Company for an aggregate amount of USD equivalent of EUR 106.7 Mn.</p>	<p>Repayable on quarterly basis started from August 2012.</p> <p>The applicable rate of interest is 3 months USD LIBOR plus 3.25% to 3.50 %</p>
vi	<p>Loan amounting to ₹6,374 Mn (March 31, 2012: ₹6,416 Mn) secured by:</p> <p>(a) first priority pari-passu charge over all assets of the Samvardhana Motherson Peguform GmbH (earlier known as Forgu GmbH, Germany) and Samvardhana Motherson B.V. (except pledge over shares of SMP Automotive Systems Mexico S.A. de C.V. (earlier known as Peguform Mexico S.A.de C.V.), SMP Deutschland GmbH (formerly Peguform GmbH) and SMP Automotive Technology Iberica S.L. (earlier known as Peguform Iberica S.L.)).</p> <p>(b) Pledge over shares of the Samvardhana Motherson Peguform GmbH (earlier known as Forgu GmbH, Germany) and Samvardhana Motherson B.V.</p> <p>(c) Second charge over assets of SMP Deutschland GmbH (formerly Peguform GmbH) and all its German subsidiaries.</p> <p>(d) Corporate Guarantee of Samvardhana Motherson International Limited for an aggregate amount of USD equivalent of EUR 102.3 Mn.</p>	<p>Repayable on yearly basis starting from November 2013.</p> <p>The applicable rate of interest is 3 months USD LIBOR plus 3.25 % to 3.50%</p>

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

vii	<p>Loan amounting to ₹6,724 Mn (March 31, 2012: ₹7,602 Mn) secured by:</p> <p>(a) first ranking security interest over all assets ((including brands, patents, intangibles, investments in group companies)) of SMP Deutschland GmbH and SMP Automotive Technology Iberica S.L. (formerly known as Peguform Iberica S.L), Samvardhana Motherson B.V, Samvardhana Motherson Peguform GmbH formerly known as Forgu GmbH), Samvardhana Motherson Peguform Barcelona S.L.U (earlier known as Peguform Module Division Iberica Cockpits s.l, SMP Automotive Solutions Personalaleasings GmbH (formerly Peguform Personalaleasing GmbH), SMP Automotive Systems Mexico S.A. de C.V. (earlier known as Peguform Mexico S.A.de C.V.) and SMP Automotive Produtos Automotivos do Brasil Ltda (formerly Peguform Do Brasil Ltda);</p> <p>(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 known as Peguform Iberica S.L) and their subsidiaries;</p> <p>(c) pledge over 80% shareholding acquired of SMP Deutschland GmbH (formerly Peguform GmbH) and SMP Automotive Technology Iberica S.L. (formerly known as Peguform Iberica S.L).</p> <p>(d) negative lien over 50% shares of Chanchun Peguform Automotive Plastics Technology Co. Ltd.</p>	<p>Repayable on quarterly basis until November 2017.</p> <p>The applicable rate of interest is 3 months EURIBOR plus 3.75%</p>
viii	Loan amounting to ₹95 Mn (March 31, 2012: ₹100 Mn) 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 7.5% p.a. to 18% p.a.
ix.	Loan amounting to ₹Nil (March 31, 2012: ₹5 Mn) secured by suspensive sale on moveable assets of Vacuform 2000 Pty Ltd.	The applicable rate of interest is 12%
x.	Loan amounting to ₹370 Mn (March 31, 2012: ₹385 Mn) 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.
xi.	Loan amounting to ₹451 Mn (March 31, 2012: ₹559 Mn) 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 ₹133 Mn (March 31, 2012: ₹129 Mn) 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 ₹Nil (March 31, 2012: ₹27 Mn) secured by credit for tooling purchases of SMR Automotive Systems Spain S.A.U.	Repayment on Feb, 2013. The applicable rate of interest is 12 M EURIBOR + 5.53% quarterly payable.
xiv.	Loan amounting to ₹244 Mn (March 31, 2012: ₹242 Mn) secured by mortgage of land and plant & 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.

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

xv.	<p>Loan amounting to ₹1,392 Mn (March 31, 2012: ₹1,358 Mn) 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</p> <p>Further, secured by Corporate Guarantees issued by MSSL and Samvardhana Motherson International Limited (SMIL) (formerly known as Samvardhana Motherson Finance Limited) .</p>	<p>Bullet Repayment in August 2013.</p> <p>The applicable rate of interest is 3 month EURIBOR + 3.50% p.a.</p>
xvi.	<p>Loan amounting to ₹Nil (March 31, 2012: ₹1,051 Mn) 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.</p> <p>Further, secured by Corporate Guarantee issued by MSSL.</p>	<p>1) ₹nil (March 31, 2012 : ₹679 Mn) is repayable in bullet installment in August 2012.</p> <p>The applicable rate of interest is 6 month EURIBOR + 3.50% p.a.</p> <p>2) ₹nil (March 31, 2012 : ₹372 Mn) is repayable in bullet installment in September 2012.</p> <p>The applicable rate of interest is 6 month LIBOR + 5% p.a.</p>
xvii.	<p>Loan amounting to ₹67 Mn (March 31, 2012: Nil) Secured against Mortgage of Plant of SMR Automotive Systems Spain S.A.U</p>	<p>Repayable in 84 months.</p> <p>The applicable rate of interest is 5.42 %</p>
xviii.	<p>Loan amounting to ₹152 Mn (March 31, 2012: Nil) Secured against:</p> <ol style="list-style-type: none"> 1) General notarial bond to the value of ZAR 181,000,000 plus additional costs over the movable assets of the Company's Durban plant, in favour of the Lender. 2) The special notarial bond to the value of ZAR 95,000,000 plus additional costs over the plant and equipment assets of the Company funded using the Plant and Equipment Loan in favour of the Lender. 3) a first mortgage bond over the property to the value of ZAR 80,000,000 plus additional costs, in favour of the Lender. 	<p>Repayable in 54 equal monthly installments after 18 months capital repayment moratorium from the first Drawing Date of the Plant and Equipment Loan.</p> <p>The applicable rate of interest is 3 % below the Prime Rate.</p>
xix.	<p>Loan amounting to ₹193 Mn (March 31, 2012: Nil) Secured against receivables of SMP Automotive Produtos Automotivos do Brasil Ltda.</p>	<p>1) ₹87 Mn (March 31, 2012 : Nil) is repayable in monthly installments upto September' 2014.</p> <p>2) ₹106 Mn (March 31, 2012 : Nil) is repayable in monthly installments upto October' 2014.</p> <p>The applicable rate of interest is CDI (Inter Bank Deposit Certificate - Brazilian) + 8% spread per year.</p>
Long terms Rupee Loans from Other than Banks include:		
i.	<p>Loan amounting to ₹37 Mn (March 31, 2012: ₹47 Mn) secured against land acquired from NOIDA authority under instalment plan.</p>	<p>Repayable in 6 half yearly instalments till December 2015 carrying interest of 11% p.a.</p>
ii.	<p>Loan amounting to ₹2 Mn (March 31, 2012: ₹2 Mn) from other than banks is secured against the vehicles purchased against such loan.</p>	<p>Fully repayable during the year ending March 31,2014 carrying interest @8.5% .</p>
Foreign Currency Finance Lease Liabilities Other than Banks include:-		

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

i.	Finance Leases amounting to ₹2,208 Mn (March 31, 2012: ₹1,707 Mn) are secured by hypothecation of assets underlying the leases.	₹1,769 Mn (March 31, 2012 : ₹1,604 Mn) repayable in quarterly instalments. ₹357 Mn (March 31, 2012 : ₹103 Mn) repayable in monthly instalments. ₹49 Mn (March 31, 2012 : nil) repayable in two instalments per year upto August 2015. ₹33 Mn (March 31, 2012 : nil) repayable in monthly instalments.
(b)	Terms of repayment for unsecured borrowings:	
	Unsecured Foreign Currency Term Loans from Banks -	
i.	Loan amounting to ₹1,086 Mn (March 31, 2012: ₹1,017 Mn). The Company 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.
ii.	Loan amounting to ₹815 Mn (March 31, 2012: ₹988 Mn) Secured by: 1) Corporate guarantee of Motherson Sumi Systems Limited (MSSL) for 100% of facility amount. 2) Undertaking from MSSL and SMIL that they would not reduce there shareholding in SMR below 75%.	Repayable in 4 annual instalments.
iii.	Loan amounting to ₹1,103 Mn (March 31, 2012: ₹1,272 Mn) Secured by: 1) Corporate gurantee of Motherson Sumi Systems Limited (MSSL) 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 Mn on consolidated basis. 4) Undertaking from MSSL and SMIL that they would not reduce there shareholding in SMR below 75%.	Repayable in 16 quarterly instalments.
iv.	Loan amounting to ₹652 Mn (March 31, 2012: Nil) Secured by: 1) Negative lien for pledging shares of operating subsidiaries of SMR 2) Negative lien on assets of operating subsidiaries for any loan availed in operating subsidiaries of SMR over and above Euro 30 Mn on consolidated basis. 3) Undertaking from MSSL and SMIL that they would not reduce there shareholding in SMR below 75%.	Repayable in 16 quarterly instalments.
v.	Loan amounting to ₹609 Mn (March 31, 2012: Nil) Secured by Corporate Guarantee from SMR Korea.	Repayable in 3 Years.
vi.	Loan amounting to ₹300 Mn (March 31, 2012: ₹9 Mn), unsecured.	Loan amounting to ₹4 Mn (March 31, 2012: ₹9 Mn) repayable in monthly installments upto August, 2015.

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

		Loan amounting to ₹52 Mn (March 31, 2012: Nil) repayable in monthly installments upto April, 2019.
		Loan amounting to ₹42 Mn (March 31, 2012: Nil) repayable in monthly installments upto February' 2015
		Loan amounting to ₹116 Mn (March 31, 2012: Nil) repayable in monthly installments upto May' 2015
		Loan amounting to ₹46 Mn (March 31, 2012: Nil) repayable in monthly installments upto November' 2013
		Loan amounting to ₹7 Mn (March 31, 2012: Nil) repayable in monthly installments upto September' 2015
		Loan amounting to ₹13 Mn (March 31, 2012: Nil) repayable in monthly installments upto January' 2016.
		Loan amounting to ₹6 Mn (March 31, 2012: Nil) repayable in monthly installments upto January' 2016
		Loan amounting to ₹14 Mn (March 31, 2012: Nil) repayable in monthly installments upto December' 2015.
	Unsecured Rupee Loans from Other than Banks -	Loan amounting to ₹2 Mn (March 31, 2012: ₹2 Mn) 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.
	Unsecured Foreign Currency Loans from Other than Banks -	Loan amounting to ₹7 Mn (March 31, 2012: ₹9 Mn) repayable in half yearly instalments until June 2016.
		Loan amounting to ₹27 Mn (March 31, 2012: ₹26 Mn) repayable until March 2015.
		Loan amounting to ₹50 Mn (March 31, 2012: ₹55 Mn) with no repayments.
		Loan amounting to ₹153 Mn (March 31, 2012: ₹170 Mn) repayable in quarterly instalments until June 2025.
		Loan amounting to ₹6 Mn (March 31, 2012: ₹11 Mn) repayable until June 2013.
		Loan amounting to ₹132 Mn (March 31, 2012: ₹95 Mn) renewable yearly.
		Loan amounting to ₹49 Mn (March 31, 2012: ₹45 Mn) repayable in 10 yearly instalments commencing from 2074.
		Loan amounting to ₹34 Mn (March 31, 2012: ₹26 Mn) repayable in various instalments starting after 5 years to be repaid in 10 years with final maturity in 2026.
		Loan amounting to ₹8 Mn (March 31, 2012: Nil) repayable in various instalments starting after 3 years to be repaid in 12 years.
		Loan amounting to ₹18 Mn (March 31, 2012: Nil) repayable in half yearly installments upto January, 2025.
		Loan amounting to ₹101 Mn (March 31, 2012: Nil) repayable in 3 repayment per year upto June, 2026.
	Unsecured Foreign Currency Loans from Related Party -	Loan amounting to ₹20 Mn (March 31, 2012: ₹20 Mn) repayable until June 2014.

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

	Loan amounting to ₹4 Mn (March 31, 2012: ₹4 Mn) repayable upto January' 2015.
	Loan amounting to ₹4 Mn (March 31, 2012: Nil) repayable upto June' 2015.
	Loan amounting to ₹2 Mn (March 31, 2012: Nil) repayable upto November' 2015.
	Loan amounting to ₹2 Mn (March 31, 2012: Nil) repayable upto February' 2016.

c) Subsequent to the year end, in respect of a long term borrowing aggregating to ₹8,243 Mn (Previous Year ₹16,665 Mn) in respect of which certain financial ratio covenants were not met on the covenant testing date of March 31, the Group has obtained the requisite waiver from the banks.

Further, long term borrowings aggregating ₹243 Mn availed by one of the subsidiary of the Group has been reclassified into current maturities of long term loans since one of the financial covenants has not been met. If there is no breach the amount payable within one year should have been ₹56 Mn. However, the subsidiary has not received any notice for repayment by the bank.

	As At March 31, 2013	As At March 31, 2012
7. DEFERRED TAX LIABILITIES (NET)		
Deferred tax Liabilities		
Depreciation	1,477	1,391
Others	126	151
Deferred tax assets		
Employee benefits	101	36
Others ¹	61	0
Total	1,441	1,506

Deferred Tax Assets and Deferred Tax Liabilities have been offset to the extent 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

	As At March 31, 2013	As At March 31, 2012
8. OTHER LONG TERM LIABILITIES		
Trade payables (including acceptances)	24	48
Advance from customers	1,808	625
Unearned revenue	175	117
Retention money	27	21
Security deposit received	103	84
Advance recovery from employees	40	41
Others	211	704
Total	2,388	1,640

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2013	As At March 31, 2012
9. LONG TERM PROVISIONS		
i) Provision for employee benefits		
- for gratuity and pensions (Refer note 45)	894	792
- for compensated absences (Refer note 45)	165	102
- Others	498	86
ii) Other Provisions (Refer note 41)		
- for warranties	51	61
- for litigations	71	59
Total	1,679	1,100

	As At March 31, 2013	As At March 31, 2012
10. SHORT TERM BORROWINGS		
Secured:		
i) Loans repayable on demand- from banks		
- Rupee Loan ¹	498	989
- Foreign Currency Loan ²	2,949	1,854
ii) Other short term loans - from banks		
- Rupee Loan ³	1,761	1,762
- Foreign Currency Loan ⁴	5,266	5,409
Unsecured:		
i) Loans repayable on demand- from banks		
- Rupee Loan	170	75
- Foreign Currency Loan	2,480	698
ii) Loans repayable on demand- from related party (Refer note 43)		
- Rupee Loan ⁵	10	45
- Foreign Currency Loan	-	13
iii) Other short term loans - from banks		
- Rupee Loan	419	833
Total	13,553	11,678

Nature of Security and terms of repayment for secured borrowings:

¹ ₹368 Mn (March 31,2012: ₹867 Mn) secured by first pari passu charge on entire current assets of the Company including receivables, both present and future and second pari passu charge over the fixed assets of the Company including equitable mortgage of specified properties.

₹22 Mn (March 31,2012: ₹6 Mn) 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.

₹108 Mn (March 31,2012: ₹116 Mn) secured by first pari-passu charge both present and future on all current assets of SMR Automotive Systems India Limited

² ₹Nil (March 31,2012: ₹43 Mn) secured on primary mortgage over plant & machinery and additional security over stocks and debtors of Motherson Electric Wires Lanka Private Limited.

₹Nil (March 31,2012: ₹147 Mn) secured on fixed and floating charge over the assets of SMR Automotive Australia Pty Limited.

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

₹273 Mn (March 31,2012: ₹335 Mn) secured by pledge over the Paint Shop (at Plant 1 of SMR Automotive Mirror Technology Hungary Bt) and moveable inventories of SMR Automotive Mirror Technology Hungary Bt and Corporate Guarantee of Samvardhana Motherson Reflectec Group Holdings Limited.

₹207 Mn (March 31,2012: ₹201 Mn) secured by assignment of receivables of SMR Automotive Mirror Technology Hungary Bt and Corporate Guarantee of Samvardhana Motherson Reflectec Group Holdings Limited.

₹610 Mn (March 31,2012: ₹198 Mn) secured by pledge over the moveable inventories of SMR Automotive Mirror Technology Hungary Bt and Corporate Guarantee of Samvardhana Motherson Reflectec Group Holdings Limited.

₹Nil (March 31,2012: ₹405 Mn) secured against receivables of SMR Poong Jeong Automotive Mirrors Korea Limited.

₹Nil (March 31,2012: ₹40 Mn) 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.

₹354 Mn (March 31,2012: ₹99 Mn) secured by pledge over receivables and inventory of SMR Automotive Systems USA Inc.

₹370 Mn (March 31,2012: ₹386 Mn) under factoring arrangements, secured against underlying receivables of SMR Automotive Systems France S.A.

₹79 Mn (March 31, 2012: ₹Nil) secured by credit for tooling purchases of SMR Automotive Systems Spain S.A.U.

₹457 Mn (March 31,2012: ₹Nil) secured against Account Receivables of SMR Automotive Mirror Technology Hungary Bt.

₹124 Mn (March 31,2012: ₹Nil) secured by Corporate Guarantee of SMR Jersey and Mortgage over Land and Machinery at SMR Automotive System (Thailand) Ltd

₹311 Mn (March 31,2012: ₹Nil) secured against fixed and floating charges over all assets of SMR Automotive Australia Pty Ltd

₹164 Mn (March 31,2012: ₹Nil) secured against mortgage of land, building and plant and machinery of SMR Automotive Brasil Ltda

³ ₹1,511 Mn (March 31,2012: ₹1,762 Mn) 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 MSSSL.

₹250 Mn (March 31,2012: ₹Nil) Commercial papers secured against working capital limits, secured by first pari passu charge on entire current assets of the Company including receivables, both present and future and second pari passu charge over the fixed assets of the Company including equitable mortgage of specified properties.

⁴ ₹706 Mn (March 31, 2012: ₹765 Mn) secured by first pari passu charge on entire current assets of the Company including receivables, both present and future and second pari passu charge over the fixed assets of the Company including equitable mortgage of specified properties.

₹47 Mn (March 31, 2012: ₹33 Mn) secured over assets (like land and building and sets of tangible fixed assets, customer receivables and subordination of intercompany loans granted by group companies) of MSSSL Advanced Polymers s.r.o.

₹162 Mn (March 31, 2012: ₹162 Mn) secured by way of mortgage over land & property of Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd

₹Nil (March 31, 2012: ₹55 Mn) secured against bank deposits of Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd

₹108 Mn (March 31, 2012: ₹86 Mn) secured by the mortgage of the Building at SMR Automotive Vision Systems Mexico S.A. de C.V.

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

₹Nil (March 31, 2012: ₹* Mn) secured by cession of debtors book of Vacuform 2000 Pty Ltd.

₹Nil (March 31, 2012: ₹236 Mn) secured by hypothecation of Paint line, receivables GM & Nissan of SMP Produtos Automotivos do Brasil Ltda. (formerly Peguform do Brasil Ltda.)

₹4,176 Mn (March 31, 2012: ₹4,073 Mn) 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 Personalleasings 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.

₹67 Mn (March 31, 2012: ₹Nil) secured by Purchase Order from OEM of SMR Automotive Systems Spain S.A.U

⁵ ₹10 Mn (March 31, 2012: ₹45 Mn) of due to an associate company.

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

	As At March 31, 2013	As At March 31, 2012
11. TRADE PAYABLES		
Trade Payables (including acceptances)		
- due to micro and small enterprises	54	14
- others	31,754	30,967
Total	31,808	30,981

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2013	As At March 31, 2012
12. Other Current Liabilities		
Other current liabilities		
- Current maturities of long term debt (Refer Note 6)	7,844	4,228
- Current maturities of finance lease obligations (Refer Note 6)	483	506
- Interest accrued but not due on borrowings	162	205
- Interest accrued and due on borrowings ¹	0	0
- Revenue received in advance	1,293	1,829
- Unpaid dividends	32	10
- Accrued salaries and benefits	3,672	3,137
- Statutory dues payable	2,960	2,916
- Advances received from customers	1,652	1,670
- Security deposit received	6	6
- Recovery against vehicle loans	26	23
- Others	1,626	2,260
Total	19,756	16,790

¹ Amount is below the rounding off norm adopted by the Company.

	As At March 31, 2013	As At March 31, 2012
13. SHORT TERM PROVISIONS		
i) Provision for employee benefits		
- Provision for gratuity and pensions (Refer note 45)	110	43
- Provision for compensated absences	84	26
- Provision for others	47	83
ii) Other Provisions		
- Provision for warranties (Refer note 41)	486	486
- Provision for other litigations (Refer note 41)	20	20
- Provision for onerous contracts (Refer note 41)	40	54
- Provision for proposed dividend on equity shares	1,176	882
- Provision for proposed dividend on preference shares	-	8
- Provision for dividend distribution tax on proposed dividend on equity shares	200	143
- Provision for dividend distribution tax on proposed dividend on preference shares	-	1
- Provision for income tax	1,376	1,687
- Provision for wealth tax	2	4
- Provision for other taxes	3	3
- Provision for others	32	72
Total	3,576	3,512

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

14. Fixed Assets

Particulars	GROSS BLOCK					DEPRECIATION / AMORTIZATION						NET BLOCK				
	As at April 1, 2012 ³	Additions on account of acquisition	Additions during the year	Disposals	Other Adjustments ¹	Exchange Translation Adjustment	Total as at March 31, 2013	Upto March 31, 2012	Additions on account of acquisition	Depreciation / Amortization for the year ²	Depreciation/ Amortization on Deletions /Sale/ Adjustments	Other Adjustments ¹	Exchange Translation Adjustment	Upto March 31, 2013	As at March 31, 2013	As at March 31, 2012
TANGIBLE ASSETS																
Own Assets:																
Leasehold Land	1,501	-	114	1	-	-	1,623	161	-	24	0	-	2	187	1,436	1,340
Freehold Land	2,590	-	571	-	182	46	3,025	-	-	-	-	-	-	-	3,025	2,590
Leasehold Improvements	137	-	11	-	-	-	5	153	99	22	-	-	4	125	28	38
Buildings	17,034	-	1,886	13	39	376	19,244	4,095	-	746	7	1	99	4,932	14,312	12,939
Plant & Machinery	58,846	-	7,752	(329)	-	-	15,14	68,441	35,623	4,983	292	-	978	41,292	27,149	23,223
Furniture & fixtures	1,905	-	819	384	(4)	67	2,411	1,105	-	472	97	(4)	147	1,631	780	800
Office equipments	1,664	-	112	110	4	36	1,698	1,097	-	53	122	4	42	1,066	632	567
Computers	2,234	-	109	14	21	48	2,356	1,912	-	165	11	-	40	2,106	250	322
Vehicles	708	-	20	83	-	13	658	372	-	121	70	-	10	433	225	336
Total (A)	86,619	-	11,394	276	242	2,114	99,609	44,464	-	6,586	599	1	1,322	51,772	47,837	42,155
Assets Taken on Finance Lease:																
Buildings	1,162	-	-	-	-	30	1,192	218	-	31	-	-	5	254	938	944
Plant & Machinery	3,672	-	690	1,363	-	123	3,122	1,696	-	263	671	-	48	1,336	1,786	1,976
Furniture & fixtures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office equipments	2	-	-	-	-	1	3	2	-	1	-	-	0	3	0	-
Computers	5	-	-	-	-	0	5	3	-	2	3	2	0	3	2	2
Vehicles	8	-	-	-	-	0	8	8	-	-	-	-	0	8	-	-
Total (B)	4,849	-	690	1,363	-	154	4,330	1,927	-	297	671	2	53	1,604	2,726	2,922
TOTAL TANGIBLE ASSETS (A+B)	91,468	-	12,084	1,639	242	2,268	103,939	46,391	-	6,883	1,270	3	1,375	53,376	50,563	45,077
INTANGIBLE ASSETS																
Goodwill on Consolidation ^{4,5}	1,247	-	361	-	-	27	1,635	45	-	-	-	-	-	45	1,590	1,202
Technical knowhow fees	327	-	-	27	-	13	313	140	-	20	-	-	6	166	147	187
Business & Commercial Rights	13	-	-	-	-	1	14	13	-	-	-	-	1	14	0	-
Intellectual Property Rights	510	-	36	11	-	13	548	425	-	31	0	-	11	467	81	85
Software	759	-	185	7	(21)	18	976	388	-	198	11	(2)	10	587	389	371
TOTAL INTANGIBLE ASSETS	2,856	-	582	45	(21)	72	3,486	1,011	-	249	11	(2)	28	1,279	2,207	1,845
GRAND TOTAL	94,324	-	12,666	1,684	221	2,340	107,425	47,402	-	7,132	1,281	1	1,403	54,655	52,770	46,922
Previous Year	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

¹ Other Adjustments are primarily related to reclassifications.

² Includes impairment loss amounting to ₹200 Mn (Previous Year ₹Nil) recognised (Refer Note 32).

³ During the current year, the Company has reclassified the freehold land amounting to ₹182 Mn and Building having gross block of ₹39 Mn held for the purposes of capital appreciation as Investment Properties as required by Accounting Standard 13.

⁴ During the year, the Group has increased its stake in SMP Deutschland GmbH and SMP Automotive Technology Iberica S.L. by 3.72%. Accordingly, an amount of ₹180 Mn has been added to Goodwill.

⁵ Includes amount of ₹181 Mn in respect of correction of prior period errors in accounting for assets recognised at the time of acquisition of SMP Deutschland GmbH and SMP Automotive Technology Iberica S.L. 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, 2013	As At March 31, 2012
15. Non Current Investments		
Investment Property (at cost less accumulated depreciation) ¹		
Cost of Buildings	576	536
Add: Additions during the year	235	1
Less: Deletions during the year	22	-
Add: Exchange translation adjustment	14	39
Gross Block	803	576
Accumulated depreciation:		
Opening balance	168	139
Add: Depreciation for the year	21	18
Add: Additions/(Deletion) during the year	(4)	-
Add: Exchange translation adjustment	4	11
Net Block	614	408
Capital Work in Progress	-	10
Net Investment Properties	614	418
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	29	
Add: Share of profit/ (loss) for current year	1	29
ii Wethje Group: ²		
a. Wethje Entwicklungs GmbH:		
Nil equity share (Previous year: 1) of Euro 100 fully paid up		
Nil equity share (Previous year: 1) of Euro 12,400 fully paid up		
b. Wethje Carbon Composite GmbH:		
Nil equity share (Previous year: 1) of Euro 14,000 fully paid up		
Nil equity share (Previous year: 1) of Euro 100 fully paid up		
Nil equity share (Previous year: 1) of Euro 2,500 fully paid up		
Nil equity share (Previous year: 1) of Euro 12,400 fully paid up		
Net asset value as at the beginning of the year	444	
Add: Share of profit/ (loss) for period upto the date of disposal	6	
Exchange difference	14	
Less : Disposal during the year	(464)	444
iii Re-time Pty Limited		
406 equity share (Previous year: 150) of AUD 1/- each fully paid up		
Investment at the acquisition date	9	
Addition acquired during the period	18	
Add: Share of profit/ (loss) for current year	2	
Add: Exchange difference	1	9
Others:		
Purpurin Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG ³	0	0

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2013	As At March 31, 2012
94 equity shares (Previous year: 94) of Euro 51.129 each fully paid up		
Other Investments (valued at cost, unless stated otherwise)		
Investment in equity instruments:		
Quoted:		
Ssangyong Motor Corporation 18,040 Equity shares (March 31,2012:18,040 Equity shares) of Euro 3.394 per equity share	5	4
Unquoted:		
i. Motherson Sumi Infotech & Designs Ltd. 1,250,000 7% preference shares (March 31,2012: 1,250,000) of ₹10/- each fully paid up	13	13
ii. Motherson Sumi Infotech & Designs Ltd. 1,200,000 Equity shares (March 31,2012:1,200,000) of ₹10/- each fully paid up	14	14
iii. Motherson Air Travel Agencies Ltd. 120,000 equity shares (March 31,2012:120,000) of ₹10/- each fully paid up	1	1
iv. Green Infra Wind Power Projects Limited 120,000 Equity shares (March 31, 2012: 120,000) of ₹10/- each fully paid up	1	1
v. Comunidad de Vertidos, "Les Carrases"	4	4
vi. Daewoo Automotive securities 5,861 Bonds (March 31,2012:5,861 Bonds) of Euro 3.334 per bond	4	1
Investments (Net)	716	938
Aggregate amount of quoted investments	5	4
Market value of quoted investments	5	6

¹ During the current year, the Company has reclassified the freehold land amounting to ₹182 Mn and building having gross block of ₹39 Mn respectively as investment property under non current investments as the same has now been let out for earning rental income.

² During the year, the Group has sold its 50% stake in Wethje Group at the cost of acquisition, accordingly an amount of ₹2 Mn being loss on sales of investment has been charged to the Statement of Profit and Loss.

³ Amount is 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, 2013	As At March 31, 2012
16. Deferred tax assets (Net)		
Deferred tax assets		
Depreciation	75	101
Employee benefits	25	70
Others	795	733
Deferred tax liabilities		
Depreciation	-	-
Others	13	-
Total	882	904

Deferred Tax Assets and Deferred Tax Liabilities have been offset to the extent 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.

	As At March 31, 2013	As At March 31, 2012
17. Long term loans and advances		
<i>Unsecured, considered good (unless otherwise stated)</i>		
Capital advances	913	1,072
Security deposits		
- Considered good	116	116
- Considered doubtful ¹	0	0
Less: Allowance for doubtful security deposits ¹	(0)	(0)
Security deposits to related parties	141	4
Advances to be recoverable in cash or kind	68	80
Other loans and advances		
Prepaid expenses	195	150
Housing loan to employees	26	23
Balances with Government Authorities	48	110
Total	1,507	1,555

¹ Amount is below the rounding off norm adopted by the Company

	As At March 31, 2013	As At March 31, 2012
18. Other Non Current Assets		
<i>Unsecured, considered good</i>		
Long term trade receivables (including trade receivables on deferred credit terms)	1,067	1,133
Non current bank balance with original maturity for more than 12 months	130	132
Other receivables	157	130
Total	1,354	1,395

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2013	As At March 31, 2012
19. Current Investments		
Equity instruments, at cost or market value, whichever is less		
Quoted:		
HDFC Bank Ltd. ¹	0	0
2,035 equity shares (Previous year : 2,035) of ₹2/- each fully paid up		
Balrampur Chini Mills Ltd ¹	0	0
1,200 equity shares (Previous year :1,200) of ₹1/- each fully paid up		
Jaysynth Dyechem Ltd ¹	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 Ltd ¹	0	0
3,644 equity shares (Previous year:3,644) of ₹5/- each fully paid up		
Arcotech Limited (Formerly SKS Limited) ¹	0	-
200 equity shares (Previous year 200) of ₹10/- each fully paid up		
Pearl Engineering Polymers Ltd ¹	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	5	4

¹ All the above amounts are below the rounding off norm adopted by the Company

	As At March 31, 2013	As At March 31, 2012
20. Inventories		
Raw Materials	9,188	8,886
Raw Materials in transit	925	1,042
Work in progress	11,085	8,285
Finished Goods	3,613	3,212
Finished Goods in transit	204	127
Traded Goods	230	258
Traded Goods in transit	-	-
Stores and spares	640	686
Stores and spares in transit	-	-
Loose tools	-	-
Loose tools in transit	151	-
Total	26,036	22,496

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2013	As At March 31, 2012
21. Trade Receivables		
- Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	874	775
Doubtful	326	306
	1,200	1,081
Less: Provision for doubtful receivables	326	306
	874	775
- Other receivables		
Unsecured, considered good	28,526	29,352
Doubtful	155	216
	28,681	29,568
Less: Provision for doubtful receivables	155	216
	28,526	29,352
Total	29,400	30,127

	As At March 31, 2013	As At March 31, 2012
22. Cash and bank balances		
Cash and Cash Equivalents		
Balances with banks:		
- in current accounts	4,978	4,140
- deposits with original maturity of less than three months	807	244
Cheques and drafts on hand	30	18
Cash on hand	30	27
	5,845	4,429
Other Bank Balances		
- Deposits with original maturity for more than three months but less than twelve months	88	118
- on unpaid dividend account	11	10
	99	128
Total	5,944	4,557

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

	As At March 31, 2013	As At March 31, 2012
23. Short Term Loans and Advances		
<i>Unsecured, considered good (unless otherwise stated)</i>		
Security Deposits	45	100
Loans and advances to related parties	195	282
Advances to be recoverable in cash or kind		
Unsecured, considered good	3,099	3,651
Doubtful	8	9
	3,107	3,660
Less: Provision for doubtful advances	8	9
	3,099	3,651
Other loans and advances		
Advance income-tax	68	627
Prepaid expenses	293	151
Loans to employees	42	44
Balances with Government Authorities	2,055	2,351
Interest receivable	8	3
	2,466	3,176
Total	5,805	7,209

	As At March 31, 2013	As At March 31, 2012
24. Other current assets		
<i>Unsecured, considered good (unless otherwise stated)</i>		
Interest accrued on fixed deposits	2	1
Total	2	1

	For the year ended March 31, 2013	For the year ended March 31, 2012
25. Revenue From Operations (Net)		
Sales of Products		
Finished Goods		
Within India	50,935	40,636
Outside India	204,191	108,796
Traded Goods	2,791	1,206
Sales of Services / Service Income	539	527
Other operating revenue:		
Scrap sales	302	134
Job work income	30	82
	258,788	151,381
Less: Excise Duty	5,664	3,615
Total	253,124	147,766

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

	For the year ended March 31, 2013	For the year ended March 31, 2012
26. Other Income		
Interest Income	121	118
Dividend Income		
- From non current investments	2	1
- From current investments ¹	0	0
Rent	167	149
Change in carrying amount of current investments	1	-
Profit on Sale of fixed assets	93	109
Export Incentives	3	2
Liabilities no longer required written back	286	208
Government Grants & Subsidies	585	205
Miscellaneous recovery from customers	752	221
Miscellaneous Income	1,205	432
Total	3,215	1,445

¹ Amounts are below the rounding off norm adopted by the Company.

	For the year ended March 31, 2013	For the year ended March 31, 2012
27. Cost of materials consumed		
Opening stock of raw materials	8,886	4,853
Opening stock of raw materials (on acquisition/ amalgamation)	99	4,409 ¹
Add : Purchases of raw materials	167,018	92,942
Less: Closing stock of raw materials	(9,312)	(8,886)
Add: Exchange adjustment:		
Exchange differences opening stock (gain)/loss	167	(59)
Exchange differences closing stock (loss)/gain	2	116
Total	166,860	93,375

¹ On amalgamation of erstwhile Sumi Motherson Innovative Engineering Limited (SMIEL) with the Company (Refer Note 37)

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

	For the year ended March 31, 2013	For the year ended March 31, 2012
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	3,339	2,270
Work-in-progress	8,285	2,398
Stock in trade	258	126
	11,882	4,794
Add: Stock acquired on acquisition/ amalgamation ¹		
Finished goods	-	665
Work-in-progress	-	7,487
Stock in trade	-	90
	-	8,242
Less: Stock at the end of the year:		
Finished goods	(3,817)	(3,339)
Work-in-progress	(11,085)	(8,285)
Stock in trade	(230)	(258)
	(15,132)	(11,882)
Add: Exchange adjustment:		
Exchange differences opening stock (gain)/loss	311	(182)
Exchange differences closing stock (loss)/gain	(91)	197
(Increase)/ decrease in stocks	(3,030)	1,169

¹ On amalgamation of erstwhile Sumi Motherson Innovative Engineering Limited (SMIEL) with the Company (Refer Note 37)

	For the year ended March 31, 2013	For the year ended March 31, 2012
29. Employee Benefits Expense		
Salary , Wages & Bonus	36,327	20,303
Contribution to Provident & Other Fund	4,903	1,940
Staff Welfare	1,426	901
Restructuring/ Severance costs	171	26
Total	42,827	23,170

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

	For the year ended March 31, 2013	For the year ended March 31, 2012
30. Other Expenses		
Electricity, Water and Fuel	5,189	2,668
Repairs and Maintenance --		
Machinery	2,667	1,402
Building	820	593
Others	757	521
Consumption of Stores and Spare Parts	1,431	2,015
Conversion Charges	389	305
Excise Duty expenses ¹	18	10
Lease rent (operating leases) (Refer note 42)	2,665	1,367
Rates & taxes	507	336
Insurance	333	242
Exchange fluctuation (net)		
- Long term foreign currency loans (ECB's)	1,279	391
- others	348	118
Donation	35	32
Travelling	1,274	1,026
Freight & forwarding	3,348	2,220
Royalty	287	278
Cash Discount	140	100
Commission	11	9
Loss on sale of fixed assets (Net)	30	10
Provision for Diminution in value of investments (Net) ²	0	0
Bad Debts/Advances written off	90	98
Doubtful Debts/Advances ³	115	-
Auditors fees and expenses (Refer Note 39)	61	83
Legal & Professional expenses	2,509	1,834
Commodity Hedging Loss	-	161
Depreciation on Investment Property	-	18
Miscellaneous expenses	6,389	4,399
Total	30,692	20,236

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.

³ Provision for doubtful advances includes ₹115 Mn towards our share of the balances of cenvat recoverable in respect of one of the Company's joint ventures, which are accumulating in view of rates of taxes on purchase of input goods being higher than those recovered on the finished goods.

	For the year ended March 31, 2013	For the year ended March 31, 2012
31. Finance Cost		
Interest and Finance Expense		
- on non current borrowings	1,877	1,065
- other borrowing costs	438	410
- Others	180	174
Total	2,495	1,649

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

	For the year ended March 31, 2013	For the year ended March 31, 2012
32. Depreciation and Amortization Expense		
Depreciation on Tangible assets ¹	6,883	3,717
Amortization on Intangible assets	249	124
Depreciation on Investment Property	21	-
Less: Vacuform goodwill impairment reclassified to exceptional expenses	-	(45)
Less: Capitalised during the year ²	(8)	-
Total	7,145	3,796

¹The management, based on the review of future business plans, has estimated the value in use/ recoverable value to be lower than the carrying value of certain fixed assets and consequently recognised an impairment loss amounting to ₹200 Mn (Previous year ₹Nil).

²Depreciation on assets used for creation of self generated assets.

	For the year ended March 31, 2013	For the year ended March 31, 2012
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

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

34. Contingent Liabilities:

A) Claims against the Company not acknowledge as debts

	As at March 31, 2013	As at March 31, 2012
a) Excise Matters	52	56
b) Customs Demand Matters	1	-
c) Sales Tax Matters	60	50
d) Service Tax Matters	35	28
e) Stamp Duty	5	5
f) Claims made by workmen	9	13
g) Entry Tax Matters	-	1
h) Income Tax Matters	64	55
i) Warranty and Other claims	27	19

(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.

B) In respect of one of its overseas subsidiaries in Brazil the subsidiary has been granted in the current and previous years a tax credit on imports. This tax credit is principally under an ongoing judicial discussion at the Brazilian Supreme Court but has been principally permitted by Brazilian Law. The specific presumed tax credit granted has still not been judged by Brazilian Supreme Court yet. As the tax credit is still valid according to Brazilian Law and the outcome of the discussion of the Brazilian Supreme Court is not foreseeable yet and based on the legal advice received the potential risk is considered to be remote by Group Management.

35. Capital and Other Commitments

	As at March 31, 2013	As at March 31, 2012
(a) Capital Commitments		
Estimated value of contracts in capital account remaining to be executed	605	2,074
Total	605	2,074
(b) Other Commitments		
Bank Guarantees / Letters of Credit furnished by the Company	64	197

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

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, 2013	March 31, 2012	
MSSL Mauritius Holdings Limited ¹	Mauritius	100%	100%	March 31, 2013
MSSL Mideast (FZE)	UAE	100%	100%	March 31, 2013
Motherston Electrical Wires Lanka Private Limited	Sri Lanka	100%	100%	March 31, 2013
MSSL Handels GmbH	Austria	100%	100%	March 31, 2013
MSSL (S) Pte Limited	Singapore	100%	100%	March 31, 2013
MSSL (GB) Limited (held by MSSL Mideast (FZE)) ¹	UK	100%	100%	March 31, 2013
Motherston Wiring System (FZE) (held by MSSL Mideast (FZE))	UAE	100%	100%	March 31, 2013
MSSL Tooling (FZE) (held by MSSL Mideast (FZE))	UAE	100%	100%	March 31, 2013
MSSL Ireland Private Limited (held by MSSL Mauritius Holdings Limited) ¹	Ireland	100%	100%	March 31, 2013
MSSL GmbH (held by MSSL Mideast (FZE)) ¹	Germany	100%	100%	March 31, 2013
MSSL Polymers GmbH (held by MSSL GmbH) ¹	Germany	100%	100%	March 31, 2013
Samvardhana Motherston Invest Deutschland GmbH (held by MSSL GmbH) ¹	Germany	100%	100%	March 31, 2013
MSSL Advanced Polymers s.r.o.(held by MSSL GmbH) ¹	Czech Republic	100%	100%	March 31, 2013
Motherston Orca Precision Technology GmbH (held by MSSL GmbH) ¹	Germany	95.10%	95.10%	March 31, 2013
MSSL s.r.l. Unipersonale (held by MSSL GmbH) ¹	Italy	100%	100%	March 31, 2013
Global Environment Management (FZC) (held by MSSL Mauritius Holdings Limited) ¹	UAE	78.82%	78.82%	March 31, 2013
Global Environment Management Australia Pty Limited (held by Global Environment Management (FZC)) ¹	Australia	100%	100%	March 31, 2013
MSSL Australia Pty Limited (held by MSSL (S) Pte. Ltd.)	Australia	80%	80%	March 31, 2013
Motherston Elastomers Pty Limited (held by MSSL Australia Pty Limited)	Australia	100%	100%	March 31, 2013
Motherston Investments Pty Limited (held by MSSL Australia Pty Limited)	Australia	100%	100%	March 31, 2013
MSSL Global RSA Module Engineering Limited (held by MSSL Mauritius Holdings Limited)	South Africa	100%	100%	March 31, 2013
Samvardhana Motherston Global Holdings Ltd. (SMGHL) (held by MSSL Mauritius Holdings Limited)	Cyprus	51%	51%	March 31, 2013
MSSL Japan Limited (held by MSSL (S) Pte Limited)	Japan	100%	100%	March 31, 2013
MSSL México, S.A. De C.V. (held by MSSL (S) Pte Limited)	Mexico	100%	100%	March 31, 2013
Vacuform 2000 (Proprietary) Limited (Vacuform) (held by MSSL Mauritius Holdings Limited)	South Africa	51%	51%	March 31, 2013
MSSL WH System (Thailand) Co., Ltd (incorporated on 12th April 2012) (held by MSSL (S) Pte. Ltd.)	Thailand	100%	--	March 31, 2013
MSSL Korea WH Limited (incorporated on 5th Dec 2012) (held by MSSL (S) Pte. Ltd.)	Korea	100%	--	March 31, 2013
MSSL Automobile Component Ltd	India	100%	100%	March 31, 2013
Samvardhana Motherston Polymers Limited (SMPL)	India	51%	51%	March 31, 2013
Samvardhana Motherston B.V. (held by Samvardhana Motherston Polymers Limited)	Netherlands	100%	100%	March 31, 2013

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

Name of the Company	Country of Incorporation	% voting power held as at		Reporting Dates used for Consolidation
		March 31, 2013	March 31, 2012	
Samvardhana Motherson Peguform GmbH (earlier known as Forgu GmbH, Germany) (held by Samvardhana Motherson B.V.)	Germany	100%	100%	March 31,2013
SMP Deutschland GmbH (held by Samvardhana Motherson Peguform GmbH and SMGHL) ²	Germany	83.72%	80%	March 31,2013
SMP Automotive Technology Iberica S.L. (earlier known as Peguform Iberica S.L.) (held by Samvardhana Motherson B.V.) ²	Spain	83.72%	80%	March 31,2013
SMP Automotive Technology Management Services (Changchun) Co. Ltd. (held by SMP Deutschland GmbH)	China	100%	100%	March 31,2013
SMP Automotive Technologies Teruel Sociedad Limitada (held by SMP Automotive Technology Iberica S.L.)	Spain	100%	100%	March 31,2013
SMP Automotive Systems Mexico S.A. de C.V. (earlier known as Peguform Mexico S.A.de C.V.)(held by SMP Automotive Technology Iberica S.L.)	Mexico	100%-1share	100%-1share	March 31,2013
Samvardhana Motherson Peguform Barcelona S.L.U (earlier known as Peguform Module Division Iberica Cockpits s.l.) (held by SMP Automotive Technology Iberica S.L.)	Spain	100%	100%	March 31,2013
SMP Automotive Solutions Personalleasings GmbH (held by SMP Deutschland GmbH)	Germany	100%	100%	March 31,2013
Samvardhana Motherson Peguform Automotive Technology Portugal S.A. (held by SMP Automotive Technology Iberica S.L.)	Portugal	100%	100%	March 31,2013
SMP Automotive Solutions Slovakia s.r.o (earlier known as Peguform Slovakia s.r.o) (held by SMP Deutschland GmbH)	Slovakia	100%	100%	March 31,2013
Changchun Peguform Automotive Plastics Technology Co., Ltd.(held by SMP Deutschland GmbH)	China	50% +1share	50% +1share	March 31,2013
SMP Tecnologia Parachoques S.A. de C.V. (held by SMP Automotive Technology Iberica S.L.)	Mexico	100%-1share	100%-1share	March 31,2013
SMP Shock Absorber Fabrication Mexico S.A. de C.V. (held by SMP Automotive Technology Iberica S.L.)	Mexico	100%-1share	100%-1share	March 31,2013
SMP Automotive Produtos Automotivos do Brasil Ltda.(held by SMP Automotive Technology Iberica S.L.)	Brazil	100%-1share	100%-1share	March 31,2013
PAINTYES – Sociedade Portuguesa de Pintura, S.A. (hled by SMP Automotive Technology Iberica S.L.)	Portugal	100%	--	March 31,2013
Foshan Peguform Automotive Plastics Technology Co. Ltd. (held by Changchun Peguform Automotive Plastics Technology Co., Ltd.)	China	100%	--	March 31,2013
Samvardhana Motherson Reflectec Group Holdings Limited (SMR) (held by SMGHL)	Jersey	93.60%	93.60%	March 31,2013
SMR Automotive Holding Hong Kong Limited (held by SMR)	Hong Kong	100%	100%	March 31,2013
SMR Automotive Technology Holding Cyprus Limited (held by SMR)	Cyprus	100%	100%	March 31,2013
SMR Automotive Mirror Systems Holding Deutschland GmbH (held by SMR)	Germany	100%	100%	March 31,2013
SMR Automotive Mirrors Stuttgart GmbH (held by SMR)	Germany	100%	100%	March 31,2013
SMR Poong Jeong Automotive Mirrors Korea Ltd. (held by SMR)	South Korea	90%	90%	March 31,2013
SMR Hyosang Automotive Ltd. (held by SMR)	South Korea	90%	90%	March 31,2013
SMR Holding Australia Pty Ltd. (held by SMR)	Australia	100%	100%	March 31,2013
SMR Automotive Australia Pty Limited (held by SMR)	Australia	100%	100%	March 31,2013

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

Name of the Company	Country of Incorporation	% voting power held as at		Reporting Dates used for Consolidation
		March 31, 2013	March 31, 2012	
SMR Automotive Taree Pty Limited (held by SMR) (deregistered with effect from May 22, 2012)	Australia	--	100%	May 22, 2012
SMR Automotive Mirror Technology Hungary BT (held by SMR)	Hungary	100%	100%	March 31, 2013
SMR Grundbesitz GmbH & Co. KG (held by SMR)	Germany	94%	94%	March 31, 2013
SMR Automotive (Langfang) Co. Ltd (held by SMR, Korea)	China	100%	--	March 31, 2013
SMR Automotive Mirror Parts and Holdings UK Ltd (held by SMR)	UK	100%	100%	March 31, 2013
SMR Automotive Services Portchester Ltd (held by SMR)	UK	100%	100%	March 31, 2013
SMR Automotive Mirrors UK Limited (held by SMR)	UK	100%	100%	March 31, 2013
SMR Automotive Technology Valencia S.A.U. (held by SMR)	Spain	100%	100%	March 31, 2013
SMR Automotive Mirror Services UK Ltd. (held by SMR)	UK	100%	100%	March 31, 2013
SMR Automotive Technology Holdings USA Partners (held by SMR)	USA	100%	100%	March 31, 2013
SMR Automotive Mirror International USA Inc. (held by SMR)	USA	100%	100%	March 31, 2013
SMR Automotive Systems USA Inc. (held by SMR)	USA	100%	100%	March 31, 2013
SMR Automotive Systems France S.A. (held by SMR)	France	100%	100%	March 31, 2013
SMR Automotive Systems India Limited (held by SMR)	India	100%	100%	March 31, 2013
SMR Automotive Yancheng Co. Limited (held by SMR)	China	100%	100%	March 31, 2013
SMR Automotive Beijing Company Limited (held by SMR)	China	100%	100%	March 31, 2013
SMR Automotive Mirror Technology Holding Hungary KFT (held by SMR)	Hungary	100%	100%	March 31, 2013
SMR Automotive Systems Spain S.A.U (held by SMR)	Spain	100%	100%	March 31, 2013
SMR Automotive Vision Systems Mexico S.A de C.V (held by SMR)	Mexico	100%	100%	March 31, 2013
SMR Automotive Servicios Mexico S.A de C.V (held by SMR)	Mexico	100%	100%	March 31, 2013
SMR Patents S.à.r.l. (held by SMR)	Luxembourg	100%	100%	March 31, 2013
SMR Automotive Beteiligungen Deutschland GmbH (held by SMR)	Germany	100%	100%	March 31, 2013
SMR Automotive Brasil Ltda. (held by SMR)	Brazil	100%	100%	March 31, 2013
SMR Automotives Systems Macedonia Dooel Skopje (held by SMR)	Macedonia	100%	100%	March 31, 2013
SMR Automotive System (Thailand) Limited (held by SMR)	Thailand	100%	100%	March 31, 2013
SMR Automotive Operations Japan K.K. (held by SMR)	Japan	100%	100%	March 31, 2013

¹ Previous year Reporting Date used for consolidation was December 31, 2011. During the year the management has decided to align the reporting dates of these subsidiaries with those of the Company. The above change does not have any material impact on the profit /loss, cash flows or the balance sheet as at the year end.

² SMPL, a subsidiary of the Company in which the company holds 51% and SMIL holds 49% has acquired 3.72% stake in SMP Group (SMP Deutschland GmbH and SMP Automotive Technology Ibérica S.L) thereby increasing its stake in the SMP Group from 80% to 83.72% and in lieu transfer the 50% stake held in associate company Wethje Group to Cross Industries at the cost of acquisition.

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

B. Details of Associate Companies are as follows:

Name of the Company	Country of Incorporation	% voting power held as at		Reporting Dates used for Consolidation
		March 31, 2013	March 31, 2012	
SAKS Ancillaries Limited	India	40.01%	40.01%	March 31, 2013
Wethje Entwicklungs GmbH (held by Forgu GmbH) (upto 29th October' 2012)	Germany	--	50%	October 29, 2012
Wethje Carbon Composite GmbH (held by Forgu GmbH) (upto 29th October' 2012)	Germany	--	50%	October 29, 2012
Die Wethje GmbH Kunststofftechnik (held by Wethje Carbon Composite GmbH) (upto 29th October' 2012)	Germany	--	50%	October 29, 2012
Re time Pty Limited (held by SMR)	Australia	40.6%	20.15%	March 31, 2013

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, 2013	March 31, 2012	
Kyungshin Industrial Motherson Limited	India	50%	50%	March 31, 2013
Woco Motherson Limited (FZC) (through MSSL Mauritius Holdings Limited)	U.A.E	33.33%	33.33%	December 31, 2012
Woco Motherson Elastomers Limited	India	33.33%	33.33%	March 31, 2013
Woco Motherson Advanced Rubber Technologies Limited	India	33.33%	33.33%	March 31, 2013
Calsonic Kansei Motherson Auto Products Limited	India	49%	49%	March 31, 2013
Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd. (through SMR)	China	50%	50%	March 31, 2013
Celulosa Fabril S.A. (through Peguform Iberica S.L.)	Spain	50%	50%	March 31, 2013
Modulos Rivera Alta S.L.U. (through Celulosa Fabril S.A.)	Spain	100%	100%	March 31, 2013

37. During previous year the Hon'ble High Court of Delhi has approved the Scheme of Amalgamation of Sumi Motherson Innovative Engineering Limited (SMIEL) and wholly owned subsidiaries namely, India Nails Manufacturing Limited (INML) and MSSL Global Wiring Limited (MGWL) with the Company with effect from April 1, 2011. Pursuant to the scheme the Company has issued 4,420,360 new shares to the shareholders of SMIEL on April 23, 2012, thereby increasing its equity share capital to ₹392 Mn. During previous year, the Company has accounted for the scheme and accordingly disclosed the amount of share capital to be issued in consideration as Share Capital Suspense Account.

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

38. Derivative instruments and unhedged foreign currency exposure

- a. Derivatives outstanding as at the reporting date:

Particulars	Currency	(In Millions)	
		March 31, 2013	March 31, 2012
Hedge of external commercial borrowings and long term loans	USD : INR	USD 7 ; ₹387	USD 4 ; ₹203
	JPY : INR	JPY 115 ; ₹67	JPY 260 ; ₹160
	EUR : USD	USD 19 ; ₹1,059	USD 9 ; ₹475
Hedge of Working Capital Loan in foreign currency	USD : INR	-	USD 2 ; ₹102
Sundry Creditors	JPY : INR	JPY 118 ; ₹69	-
Sundry Debtors	EUR : INR	EUR 1 ; ₹75	EUR 2 ; ₹136

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

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

Currency	(In Millions)	
	As at March 31, 2013 Payable / (Receivable)	As at March 31, 2012 Payable / (Receivable)
EUR*	0	4
GBP	(4)	(3)
JPY	896	1,609
USD	418	317
SGD*	0	0
CHF*	0	0
AUD*	0	0
KRW*	0	3
CNY*	0	0
MXN	(9)	18
HUF	168	204
THB	5	-
HKD*	0	4
INR	3	34
AED	2	-
LKR	-	-
CZK	(9)	-

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

39. Payment to Group's Auditors:

	Year ended March 31, 2013	Year ended March 31, 2012
Audit Fees (including limited review)	54	69
Taxation Matters*	-	0
Reimbursement of expenses	6	3
Fee for certification & other services	1	11
Total	61	83

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

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

40. Earnings per share

	Year ended March 31, 2013	Year ended March 31, 2012*
a) Basic		
Net profit after tax	4,445	2,596
Less: Dividend on Preference Shares (Including dividend tax)	-	9
Net profit after tax available for equity Shareholders -(A)	4,445	2,587
Equity Shares outstanding at year end ¹	587,946,240	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
Add: Bonus Shares issued by capitalisation of Securities Premium on October 5, 2012 adjusted ¹	-	195,982,080
Weighted Average number of equity shares used to compute basic earnings per share- (B)	587,946,240	587,946,240
Basic Earnings (in Rupees) Per Share of ₹1/- each. (Previous Year ₹1/- each) (A/B)	7.6	4.4
b) Diluted		
Net profit after tax available for equity Shareholders-(A)	4,445	2,587
Adjusted Net Profit (₹ in Mns)	4,445	2,587
Weighted Average number of equity shares used to compute basic earnings per share- (B)	587,946,240	587,946,240
Weighted Average number of Equity Shares of ₹1 /- each (Previous Year ₹1/- each) outstanding at the end of the year	587,946,240	587,946,240
Diluted Earnings (in Rupees) Per Share of ₹1/- each. (Previous Year ₹1/- each) (A/B)	7.6	4.4

¹ During the year the company has made allotment of 195,982,080 equity shares of ₹1/- each as bonus shares in proportion of one equity share for every two equity shares and therefore in accordance with Accounting Standard 20 the weighted average number of shares outstanding for the previous year have been adjusted.

*Diluted EPS has been computed at fully diluted paid up capital of ₹392 Mn 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.

41. The group has the following provisions in the books of account:

	Warranty		Onerous Contracts		Litigations	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Opening Balance	547	350	54	63	79	42
Addition acquired through acquisition	-	163	-	-	-	39
Additions during the year	366	336	0	-	21	22
Utilised / Reversed during the year	(398)	(335)	(15)	(14)	(6)	(24)
Exchange translation adjustment	22	33	1	5	(3)	(0)
Closing Balance	537	547	40	54	91	79
Classified as Non - Current	51	61	-	-	71	59
Classified as Current	486	486	40	54	20	20

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

Warranty

A provision is recognized 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.

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:

- Labour claims - ₹60 Mn (Previous Year : ₹46 Mn): 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.
- Civil claims - ₹11 Mn (Previous Year ₹13 Mn): Amount of the provision relates to claims against the company from suppliers.
- Tax claims - ₹20 Mn (Previous Year ₹20 Mn): 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.

42. 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:

	Minimum Lease Payments	
	March 31, 2013	March 31, 2012
Not later than one year	572	599
Later than 1 year and not later than 5 years	1,723	1,169
Later after 5 years	182	244
Total	2,477	2,012
Less: Finance Charges	269	305
Present value of minimum lease period	2,208	1,707

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 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.

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

	Year ended March 31, 2013	Year ended March 31, 2012
With respect to all operating leases;		
Lease payments recognized in the Statement of Profit and Loss during the year	2,665	1,367
Sub-lease payments received / receivable recognized in the Statement of Profit and Loss during the year	167	149

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:

Particulars	As at March 31, 2013	As at March 31, 2013
Payable not later than 1 year	641	499
Payable later than 1 year and not later than 5 years	1,456	1,184
Payable later than 5 years	573	565

43. 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 Visiocorp Huaxiang Automotive Mirrors Co. Limited
Wethje Entwicklungs GmbH (Vilshofen-Pleinting, DE) (upto 29.10.2012)
Wethje Carbon Composite GmbH (Hengersberg, DE) (upto 29.10.2012)
Die Wethje GmbH Kunststofftechnik (Hengersberg, DE) (upto 29.10.2012)
Celulosa Fabril (Cefa) S.A. (Zaragoza, ES)
Modulos Rivera Alta S.L.U.

b. Associate Companies:

Saks Ancillaries Limited
Re-time Pty Limited

c. Key Management Personnel:

i) Board of Directors:

Mr. V.C. Sehgal
Mr. Laksh Vaaman Sehgal
Mr. Toshimi Shirakawa
Mr. Hideaki Ueshima
Maj. Gen. Amarjit Singh (retd.)
Mr. Arjun Puri
Mr. Pankaj Mital
Mr. S. P. Talwar (appointed on 10.09.2012)

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

Mr. S. C. Tripathi, IAS (Retd.) (appointed on 10.09.2012)
Mr. Gautam Mukherjee (appointed on 10.09.2012)
Mr. M.S. Gujral (Late) (till 04.05. 2012)
Mr. Hiroto Murai (resigned on 02.07.2012)
Mr. Yoshiki Kishimoto (appointed on 02.07.2012 and resigned on 16.10.2012)

ii) Other Key Management Personnel:

Mr. Bimal Dhar
Mr. G.N. Gauba
Mr. Sanjay Mehta

iii) Relatives of Key Management Personnel:

Ms. Renu Sehgal
Ms. Geeta Soni
Ms. Nilu Mehra
Ms. Vidhi Sehgal

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

Mother'son Auto Limited
Mother'son Air Travel Agencies Limited
Ganpati Auto Industries (Partnership Firm)
Southcity Motors Limited
Mother'son Techno Tools Limited
Mother'son Techno Tools Mideast (FZE)
SWS India Management & Support Service (P) Limited
Vaaman Auto Industry (Partnership Firm)
Mother'son Sumi Infotech and Designs Limited
Mother'son Engineering Research and Integrated Technologies Limited
Moon Meadows Private Limited
Sisbro Motor and Workshop Private Limited
NACHI Mother'son Tool Technology Limited
Mother'son (Partnership Firm)
Samvardhana Mother'son International Limited (formerly Samvardhana Mother'son Finance Limited)
A Basic Concepts Design Pty Limited
ATAR Mauritius Private Limited
Mother'son Auto Solutions Limited
Mother'son Machinery and Automations Limited
Spheros Mother'son Thermal System Limited
Matsui Technologies India Limited
Mother'son Moulds and Diecasting Limited
Webasto Mother'son Sunroofs Limited
Anest Iwata Mother'son Limited
Field Motor Limited
AES (India) Engineering Limited
Mother'son Auto Engineering Service Ltd
Anest Iwata Mother'son Coating Equipment Limited

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

Nissin Advanced Coating Indo Co. Limited
Magnetti Marelli Motherson Holding India BV
Magnetti Marelli Motherson Auto System Limited
Samvardhana Motherson Finance Services Cyprus Limited
Motherson Zanotti Refrigeration System Limited
Samvardhana Motherson Virtual Analysis Ltd.
Samvardhana Motherson Finance services 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
Motherson Lease Solution Limited (formerly Style Motors Limited)
Systematic Conscom Limited
MAS Middle East Ltd. (FZE)
Nachi Motherson Precision Ltd.
Motherson Bergstrom HVAC Solutions Private Limited
Motherson Sintermetal Technology Limited
Samvardhana Motherson Nippisun Technology Limited
Advanced Technologies and Auto Resources Pte. Ltd.
Edcol Global Pte. Limited
Motherson Innovative Technologies and Research
Radha Rani Holdings Pte Ltd

e. Joint Venturer:

Sumitomo Wiring Systems Limited, Japan
Kyungshin Corporation, Korea
Woco Franz Josef Wolf Holding GmbH, Germany
Calsonic Kansei Corporation, Japan
Ningbo Huaxiang Electronic Co., Ltd.
Dremotech GmbH & Co. KG., Germany
Cross Motorsport Systems AG
Blanos Partners S.L.
Changshu Automobile Interior Decoration Co., Ltd

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

II. Details of transactions, in the ordinary course of business at commercial terms, and balances with related parties as mentioned in 44 (I) above:

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	1,426	1,976	198	218	523	547	-	-
2	Rendering of Services	284	235	46	43	0#	-	-	-
3	Sale of Fixed Assets	0#	-	36	3	-	-	-	-
4	Purchase of Goods	40	33	1,038	509	2,193	1,867	-	-
5	Purchase of Fixed Assets	-	-	940	1,841	201	12	-	-
6	Purchase of Services	1	20	1,203	1,178	26	71	6	6*
7	Reimbursement (Net)	0#	0#	64	203	0#	4	-	-
8	Investments made during the year	-	-	-	464	-	-	-	-
9	Purchase of Shares	-	-	13	-	-	-	-	-
10	Investments Redeemed/ Sale of Shares	-	-	-	-	-	-	-	-
11	Royalty	-	-	7	2	264	221	-	2
12	Remuneration/Sitting Fees of Directors and Key Management Personnel	-	-	-	-	-	-	24	28
13	Interest Income	-	-	21	18	-	-	-	-
14	Interest Expense	-	-	2	5	0#	-	-	-
15	Dividend Paid	-	-	341	387	347	353	34	42**
16	Dividend Received	372	225	2	1	-	-	-	-
17	Capital Received from Minority	-	-	260	-	-	-	-	-
18	Loans Received during the year	-	-	38	33	-	-	-	-
19	Loans Given during the year	-	-	-	120	-	-	-	-
20	Loans Repaid during the year	-	160	87	30	-	3	-	-
21	Loans Received back during the year	-	-	20	-	-	-	-	-
22	Security Deposits Received	-	-	-	9	-	-	-	-
23	Security Deposits Received back	-	-	-	-	-	-	1	-
24	Security Deposits Repaid	-	-	-	-	-	-	-	-
25	Security Deposit given	-	-	97	-	-	-	-	-
	Balances as at year end								
26	Investments	-	-	38	510	-	-	-	-
27	Loans Receivable	-	-	100	-	-	-	-	-
28	Loans Payable	-	-	22	62	20	20	-	-
29	Advances and other Receivable	1	34	94	248	-	-	-	-
30	Security Deposit Received	40	40	34	19	-	-	-	-
31	Security Deposits Given	-	-	141	3	-	-	-	1
32	Trade Payable	4	4	406	561	467	438	-	1
33	Trade Receivable	307	305	246	197	37	32	-	-
34	Advances from customer	0#	4	0#	21	1	1	-	-

* Rent of ₹5 Mn (Previous Year ₹3 Mn) paid to Mr.V.C. Sehgal, Mr. Laksh Vaaman Sehgal, Ms. Renu Sehgal, Ms. Vidhi Sehgal.

** Dividend of ₹34 Mn (Previous Year ₹42 Mn) 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 the rounding off norm adopted by the Company.

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

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

S. No.	Particulars	2012-13		2011-12	
		Name of Related Party	Amount	Name of Related Party	Amount
1	Sale of Goods	Kyungshin Industrial Motherson Limited Sumitomo Wiring Systems Limited, Japan	1,275 522	Kyungshin Industrial Motherson Limited Sumitomo Wiring Systems Limited, Japan	1,839 545
2	Rendering of Services	Kyungshin Industrial Motherson Limited	249	Kyungshin Industrial Motherson Limited	208
3	Sale of Fixed Assets	Magnetti Marelli Motherson Auto System Limited	35	Magnetti Marelli Motherson Auto System Limited	-
4	Purchase of Goods	CTM India Limited Sumitomo Wiring Systems Limited, Japan Kyungshin Industrial Co., Korea	369 600 1,393	CTM India Limited. Sumitomo Wiring Systems Limited, Japan Kyungshin Industrial Co., Korea	333 547 1,161
5	Purchase of Fixed Assets	Systematic Conscom Limited Sumitomo Wiring Systems Limited, Japan	800 200	Systematic Conscom Limited Sumitomo Wiring Systems Limited, Japan	1,721 9
6	Purchase of Services	Saks Ancillaries Limited Motherson Auto Limited Motherson Air Travel Agencies Limited Motherson Sumi Infotech and Designs Limited	144 185 197 399	Saks Ancillaries Limited Motherson Auto Limited Motherson Air Travel Agencies Limited Motherson Sumi Infotech and Designs Limited	141 165 198 447
7	Reimbursement (Net)	Systematic Conscom Limited Motherson Auto Limited MothersonSumi INFotech and Designs Limited Samvardhana Motherson International Limited MAS Middle East Ltd. (FZE)	28 9 10 11 7	Systematic Conscom Limited Motherson Auto Limited MothersonSumi INFotech and Designs Limited Samvardhana Motherson International Limited MAS Middle East Ltd. (FZE)	178 4 7 (2) 8
8	Royalty	Sumitomo Wiring Systems Limited, Japan Kyungshin Industrial Co., Korea	213 45	Sumitomo Wiring Systems Limited, Japan Kyungshin Industrial Co., Korea	177 38
9	Remuneration/Sitting Fees of Directors and Key Management Personnel	Mr. Pankaj Mital Mr. G.N. Gauba Mr. Sanjay Mehta	9 9 5	Mr. Pankaj Mital Mr. G.N. Gauba Mr. Sanjay Mehta	7 7 4
10	Interest Income	Motherson Auto Limited	21	Motherson Auto Limited	16
11	Interest Expense	Saks Ancillaries Limited	2	Saks Ancillaries Limited	4
12	Dividend Paid	Samvardhana Motherson International Limited Sumitomo Wiring Systems Limited, Japan Kyungshin Industrial Co., Korea	319 223 108	Samvardhana Motherson International Limited Sumitomo Wiring Systems Limited, Japan Kyungshin Industrial Co., Korea	387 266 86
13	Dividend Received	Kyungshin Industrial Motherson Limited	301	Kyungshin Industrial Motherson Limited	172
14	Loans Received during the year	Saks Ancillaries Limited	10	Saks Ancillaries Limited	30
15	Loans Repaid during the year	Saks Ancillaries Ltd A Basic Concepts Design Pty Limited	45 42	Saks Ancillaries Ltd A Basic Concepts Design Pty Limited	20 -
16	Loans Received back during the year	Systematic Conscom Limited	20	Systematic Conscom Limited	-

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

S. No.	Particulars	2012-13		2011-12	
		Name of Related Party	Amount	Name of Related Party	Amount
17	Security Deposits Given	Motherson Auto Limited	97	Motherson Auto Limited	43
18	Security Deposits Received Back	Mr. Laksh Vaaman Sehgal	1	Mr. Laksh Vaaman Sehgal	-
19	Capital Received from Minority	Samvardhana Motherson International Limited	260	Samvardhana Motherson International Limited	-
Balances as at year end					
20	Loans Payable	Motherson Auto Limited	100	Motherson Auto Limited	120
		Calsonic Kansei Corporation, Japan	20	Calsonic Kansei Corporation, Japan	20
21	Advances and other Receivable	Motherson Auto Limited	78	Motherson Auto Limited	102
		CTM India Limited	142	CTM India Limited	-
22	Loans Receivable	Motherson Auto Limited	100	Motherson Auto Limited	100
23	Security Deposit Received	Kyungshin Industrial Motherson Limited	30	Kyungshin Industrial Motherson Limited	30
		CTM India Limited	25	CTM India Limited	25
24	Security Deposits Given	Motherson Auto Limited	140	Motherson Auto Limited	4
25	Trade Payable	Sumitomo Wiring Systems Limited, Japan	241	Sumitomo Wiring Systems Limited, Japan	194
		Systematic Conscom Limited	153	Systematic Conscom Limited	245
		Kyungshin Industrial Co., Korea	161	Kyungshin Industrial Co., Korea	179
26	Trade Receivable	Kyungshin Industrial Motherson Limited	272	Kyungshin Industrial Motherson Limited	271
		Magnetti Marelli Motherson Auto System Limited	65	Magnetti Marelli Motherson Auto System Limited	47
27	Advances from customers	Sumitomo Wiring Systems Limited, Japan	1	Sumitomo Wiring Systems Limited, Japan	1

44. 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 segments 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 segments 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 Molded Components, Brass Terminals, Thermo-Formed Products, Polyurethane Molded Products, Blow Molded Products, HVAC Module, Compressors, Body Control Modules, Meters Clusters, Interior Mirrors, Exterior Mirrors.
Non-Automotive	Wiring Harness, Pen-Stamp Assembly, Plastic Components for white goods, Household Wires, Plates, Aerobin, Re-Timer light device, Premium embossed travel case, USB recharging cable

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

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

a) Information about Primary Business Segments

	Automotive		Non automotive		Unallocated		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Segment revenue								
External	250,240	143,722	6,129	5,572	263	244	256,632	149,538
Intersegment	414	445	-	-	-	-	414	445
Total revenue[#]	249,826	143,277	6,129	5,572	263	244	256,218	149,093
Results								
Segment result	11,419	5,343	678	626	-	-	12,097	5,969
Interest expense								
(net of Interest income)		-	-	-	2,373	1,531	2,373	1,531
Other Unallocable								
(net of Income)		-	-	-	1,381	322	1,381	322
Profit before taxation		-	-	-		-	8,342	4,116
Provision for taxation		-	-	-	3,835	2,153	3,835	2,153
Profit of Associate		-	-	-	8	2	8	2
Net profit after tax		-	-	-		-	4,515	1,965
- Concern Share		-	-	-		-	4,445	2,596
- Minority Share		-	-	-		-	70	(631)
Other items								
Segment assets	120,315	113,203	3,736 ²	3,748 ²	4,128 ²	3,515 ²	128,179	120,466
Segment liabilities	46,918	47,107	1,207	1,376	53,235	48,335	101,360	96,818
Capital expenditure	11,836	11,436	231	222	-	-	12,067	11,658
Depreciation & Impairment ¹	6,956	3,634	189	162	-	-	7,145	3,796

¹ Includes impairment loss amounting to ₹200 Mn (Previous Year 45 Mn) recognized during the year (Refer Note 32 and 33).

² During the current year land and building amounting to ₹222 Mn, being part of non-automotive segment assets has been reclassified as investment property forming part of unallocated assets.

Excluding Interest Income.

a) Information about Secondary Business Segments

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	43,117	38,946	212,838	109,903	263	244	256,218	149,093
Inter segment	-	-	-	-	-	-	-	-
Total	43,117	38,946	212,838	109,903	263	244	256,218	149,093
Carrying amount of segment assets	31,149	28,065	92,903	88,886	4,128	3,515	128,179	120,466
Addition to fixed assets	3,414	3,636	8,653	8,022		-	12,067	11,658

b) 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.

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

45. The long term defined employee benefits and contribution schemes of the Group are as under:

(A) Defined Benefit Schemes

(1) Gratuity / Pension Benefits

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 Obligations

	Year ended March 31, 2013	Year ended March 31, 2012
Obligations at year beginning	2,052	1,407
Obligations at year beginning consequent to Acquisition	-	312
Obligations at year beginning consequent to Amalgamation	-	39
Service Cost - Current	213	143
Interest Cost	80	76
Actuarial (gain) / loss	276	(150)
Benefit Paid	(258)	118
Effect of Exchange rate change	53	107
Obligations at year end	2,416	2,052

(ii) Fair Value of Plan Assets

	Year ended March 31, 2013	Year ended March 31, 2012
Plan assets at year beginning, at fair value	1,374	1,116
Plan assets at year beginning consequent to Amalgamation	-	23
Expected return on plan assets	60	54
Actuarial gain / (loss)	82	107
Contributions	125	81
Benefits paid	(125)	(87)
Effect of Exchange rate change	39	80
Plan assets at year end, at fair value	1,555	1,374

(iii) Assets and Liabilities recognized in the Balance Sheet

	Year ended March 31, 2013	Year ended March 31, 2012
Present Value of the defined benefit obligations	2,416	2,052
Fair value of the plan assets	1,555	1,374
Amount not recognized because of limitation of assets	140	157
Amount recognized as Liability	1,001	835

Recognized Under

Long Term Provision (Refer Note No 9)	893	792
Short Term Provision (Refer Note No 13)	108	43

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

(iv) DeBned benefit obligations cost for the year:

	Year ended March 31, 2013	Year ended March 31, 2012
Service Cost - Current	212	143
Interest Cost	80	76
Expected return on plan assets	(60)	(54)
Actuarial (gain) / loss	194	(258)
Net defined benefit obligations cost	426	(93)

(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:

	Year ended March 31, 2013	Year ended March 31, 2012
LIC	303	234
Equities	165	125
Bonds, Gilts and Others	1,083	1,005
Cash	4	10
Total	1,555	1,374

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:

	2012-13		2011-12	
	Indian	Foreign	Indian	Foreign
Discount Rate	8.0%-8.5%	1.32%-12.0%	8.3% - 8.83%	1.99%-11.3%
Future salary increases	6.0% - 7.50%	2.0% - 15.0%	6.0% - 7.50%	2.5% - 17.0%
Expected return on plan asset	8.0% - 9.40%	3.5% - 15.0%	9.0% - 9.40%	3.5% - 7.0%

vii) Amount recognized in current year and previous four years:

	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009
Defined benefit obligations	2,416	2,052	1,404	1,114	775
Plan assets	(1,555)	(1,374)	(1,109)	(966)	(913)
Deficit /(Surplus)	861	678	295	148	(138)

Expected contribution on account of Gratuity for the year ending March 31, 2014 cannot 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.

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

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 Obligations

	Year ended March 31, 2013	Year ended March 31, 2012
Obligations at year beginning	105	65
Obligations at year beginning consequent to Amalgamation	-	11
Service Cost - Current	32	20
Interest Cost	9	7
Actuarial (gain) / loss	34	12
Benefit Paid	(15)	(10)
Effect of Exchange rate change	-	-
Obligations at year end	165	105

(ii) Assets and Liabilities recognized in the Balance Sheet:

	Year ended March 31, 2013	Year ended March 31, 2012
Present Value of the defined benefit obligations	165	105
Fair value of the plan assets	-	-
Amount recognized as Liability	165	105
Recognized Under		
Long Term Provision (Refer Note No 9)	157	102
Short Term Provision (Refer Note No 13)	8	3

(iii) Defined benefit obligations cost for the year:

	Year ended March 31, 2013	Year ended March 31, 2012
Service Cost - Current	32	20
Interest Cost	9	7
Expected return on plan assets	-	-
Actuarial (gain) / loss	34	12
Net defined benefit obligations cost	75	39

(iv) Actuarial assumptions:

	2012-13		2011-12	
	Indian	Foreign	Indian	Foreign
Discount Rate	8.0%-8.5%	1.32%-12.0%	8.3% - 8.83%	1.99%-11.3%
Future salary increases	6.0% - 7.50%	2.0% - 15.0%	6.0% - 7.50%	2.5% - 17.0%

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

	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009
Defined benefit obligations	165	105	65	48	39
Plan assets	-	-	-	-	-
Deficit /(Surplus)	165	105	65	48	39

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

(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 ₹4,474 Mn (Previous Year: ₹1,867 Mn).

46. Interest in Joint Ventures

The Group's interest, as a venture, in jointly controlled entities as at March 31, 2013 are

Name of the Company	Country of Incorporation	% voting power held as at March 31, 2013	% voting power held as at March 31, 2012
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. (through SMP Automotive Technology Iberica S.L.)	Spain	50%	50%
Modulos Rivera Alta S.L.U. [through Celulosa Fabril (Cefa) S.A.]	Spain	50%	50%

The following amounts represent the Group's 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:

Particulars	March 31, 2013	March 31, 2012
Assets		
Non Current Assets		
Fixed Assets		
Tangible Assets	889	979
Intangible Assets	51	93
Capital work in progress	11	10
Intangible assets under development	20	1
Non Current investments	2,825	124
Deferred tax assets(net)	41	54
Long Term loans and advances	175	245
Other Non-current assets	0	-
Current Assets		
Current investments	-	-
Inventories	972	1,087
Trade Receivables	1,761	1,137
Cash & Bank Balances	487	561
Short Term loans and advances	189	800
Other current Assets	136	42
Liabilities		
Non Current Liabilities		
Long Term Borrowings	73	116
Deferred tax liabilities(net)	3	10
Other long term liabilities	24	7
Long Term provisions	22	15

Notes to the consolidated financial statements

(All amounts in ₹ Million, unless otherwise stated)

Particulars	March 31, 2013	March 31, 2012
Current Liabilities		
Short Term Borrowings	431	525
Trade Payables	1,450	1,257
Other Current liabilities	394	407
Short Term Provisions	41	682
Reserves & Surplus	1,611	1,455
Revenue		
Revenue from Operations(net)	8,282	6,355
Other Income	18	21
Total income	8,300	6,376
Cost of materials consumed	6,126	4,621
Purchase of stock-in-trade	-	-
Changes in Inventories of finished goods, work-in-progress and stock in trade	9	(67)
Employee benefit expenses	580	510
Other expenses	777	658
Finance Cost (Net)	1	5
Depreciation	155	146
Total Expenditure	7,648	5,873
ProBt before Tax	652	503
Provision for Tax	146	139
ProBt after Tax	506	364
Contingent Liabilities		
- In respect of Income tax matters	24	-
-In respect of Service tax matters	6	13
- Bank Guarantees	2	-
Capital Commitment	10	6

47. 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 and domestic transactions are at arm's length so that aforesaid legislation will not have any impact on the financial statements.

48. Previous year figures have been reclassified to conform to this year's classification.

For Price Waterhouse

Firm Registration Number: FRN 012754N
Chartered Accountants

ANUPAM DHAWAN
Partner
M.No.: 084451

Place: Noida
Date : May 17, 2013

For and on behalf of the Board

V.C. SEHGAL
Chairman

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

HIDEAKI UESHIMA
Director

PANKAJ MITAL
Chief Operating Officer



**Motherson Sumi
Systems Limited**

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