



## MOTHERSON SUMI SYSTEMS LIMITED

Regd. Office: 2nd Floor, F-7, Block B-1, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi – 110 044  
CIN: L34300DL1986PLC026431

### Notice

Notice is hereby given that the 27<sup>th</sup> Annual General Meeting of the members of Motherson Sumi Systems Limited will be held on Monday, 25<sup>th</sup> day of August, 2014 at 11:30 A.M. at FICCI Golden Jubilee Auditorium, Federation House, Tansen Marg, New Delhi-110001 to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2014 and Statement of Profit & Loss for the year ended on that date together with reports of the Directors and Auditors thereon.
2. To declare the dividend on the equity shares of the Company for the year 2013-14.
3. To appoint a Director in place of Mr. Pankaj Mital (DIN-00194931), who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Statutory Auditors of the Company and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. Price Waterhouse, Chartered Accountants (Firm Registration No.-012754N), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 30th Annual General Meeting to be held in the year 2017 (subject to ratification of their appointment at every Annual General Meeting), at such remuneration, reimbursement of out-of-pocket expenses, travelling and other expenses incurred in connection with audit to be carried out by them, as may be mutually agreed between the Board of Directors of the Company and the Auditors."

#### SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following as an **Ordinary Resolution:**  
"RESOLVED THAT Ms. Noriyo Nakamura (DIN-06809512), who was appointed as a Director of the Company w.e.f. 31.01.2014 in the casual vacancy caused by the resignation of Mr. Hideaki Ueshima and who retires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member pursuant to Section 160 of the Companies Act, 2013, proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
6. To consider and if thought fit, to pass with or without modification(s), the following as an **Ordinary Resolution:**  
"RESOLVED THAT pursuant to provisions of the Section 149, 152 read with schedule IV to the Companies Act, 2013, and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Geeta Mathur (DIN- 02139552), who was appointed as an Additional Director of the Company w.e.f. 31<sup>st</sup> January, 2014 in terms of Section 161 of the Companies Act, 2013 and Article 85(2) of the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member pursuant to Section 160 of the Companies Act, 2013

proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold the office for 5 (five) consecutive years for a term up to the 32nd Annual General Meeting of the Company to be held in the year 2019.

7. To consider and if thought fit, to pass with or without modification(s), the following as an **Ordinary Resolution:**  
"RESOLVED THAT pursuant to provisions of the Section 149, 152, read with schedule IV to the Companies Act, 2013, and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Maj. Gen. Amarjit Singh (Retd.) (DIN-00211758), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold the office for 5 (five) consecutive years for a term up to the 32nd Annual General Meeting of the Company to be held in the year 2019."
8. To consider and if thought fit, to pass with or without modification(s), the following as an **Ordinary Resolution:**  
"RESOLVED THAT pursuant to provisions of the Section 149, 152, read with schedule IV to the Companies Act, 2013, and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. S.C. Tripathi, IAS (Retd.) (DIN-00941922), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold the office for 5 (five) consecutive years for a term up to the 32nd Annual General Meeting of the Company to be held in the year 2019."
9. To consider and if thought fit, to pass with or without modification(s), the following as an **Ordinary Resolution:**  
"RESOLVED THAT pursuant to provisions of the Section 149, 152, read with schedule IV to the Companies Act, 2013, and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Arjun Puri (DIN-00211590), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold the office for 5 (five) consecutive years for a term up to the 32nd Annual General Meeting of the Company to be held in the year 2019."
10. To consider and if thought fit, to pass with or without modification(s), the following as an **Ordinary Resolution:**  
"RESOLVED THAT pursuant to provisions of the Section 149, 152, read with schedule IV to the Companies Act, 2013, and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Gautam Mukherjee (DIN-02590120), a non-executive Director of the Company, who has submitted a

declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold the office for 5 (five) consecutive years for a term up to the 32nd Annual General Meeting of the Company to be held in the year 2019."

11. To consider and if thought fit, to pass with or without modification(s), the following as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to provisions of the Section 196, 197 and 203 read with schedule V to the Companies Act, 2013, and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force, approval of the Company be and is hereby accorded to the reappointment of Mr. Pankaj Mital (DIN-00194931) as a Whole-time Director designated as Chief Operating Officer of the Company for a period of three years w.e.f. April 1, 2014 on the terms and conditions including remuneration as set out in the statement annexed to the Notice convening this meeting, subject to the same not exceeding the limits specified under schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to vary and/or revise the remuneration of the said Whole-time Director within the permissible limit under the provisions of the Companies Act, 2013 or any statutory thereof, from time to time and to settle any question or difficulty in connection therewith or incidental thereto and to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board

Sd/-

G.N. GAUBA

Chief Financial Officer &

Company Secretary

Membership No. - A9299

Place : NOIDA

Date : July 22, 2014

#### Regd. Office:

2<sup>nd</sup> Floor, F-7, Block B-1,  
Mohan Co-operative Industrial Estate,  
Mathura Road, New Delhi – 110 044

#### NOTES

- The Statement pursuant to Section 102 (1) of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting is annexed hereto.
- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANOTHER PERSON AS HIS PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.  
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- Corporate Members intending to send their authorized representative(s) are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
- In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

- Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting along with their copy of Annual Report. No extra attendance slip and/or Annual Report will be provided at the venue of the Annual General Meeting.
- Register of Members and Share Transfer Books of the Company shall remain closed from 21.08.2014 to 25.08.2014 (both days inclusive). Dividend, if approved at the meeting, will be paid to those members whose names appear as:
  - Beneficial Owners, as at the end of business hours on 20.08.2014 as per data made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) in respect of shares held in electronic form and;
  - Members in the Register of Members as on 25.08.2014 after giving effect to valid transfer requests received before the close of business hours on 20.08.2014.
- Members who hold shares in dematerialized form may kindly note that their Bank Account details, as furnished by their Depositories to the Company, will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such members for deletion of or change in such Bank Account Details. Further, instructions, if any, already given by them in respect of shares held in Physical form will not automatically be applicable to shares held in electronic form. **Members who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change with complete details of Bank Account.**
- Members holding shares in physical form and desirous of availing Electronic Clearing System (ECS) facility are advised to submit particulars of their bank account, viz. name and address of branch of the bank, 9 digit MICR code, type of account and account number to the Company's Registrar and Share Transfer Agents (RTA), M/s. Karvy Computershare Pvt. Ltd.
- Members holding shares in physical form are requested to notify change of address, if any, to the Company's **Registrar and Share Transfer Agents (RTA), M/s. Karvy Computershare Pvt. Ltd., 17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081** quoting correct Folio Number and in case of shares held in dematerialized form to the concerned Depository Participant.
- Pursuant to the provisions of Section 205A of the Companies Act, 1956, the amount of dividend which remains unclaimed for a period of 7 years would be transferred to the "Investor Education and Protection Fund (IEPF)", constituted by the Central Government. Accordingly, the proposed date for the transfer of unclaimed dividend by the Company for the year 2006-2007 to IEPF is August 29, 2014.
- The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / M/s. Karvy Computershare Pvt. Ltd.
- The relevant details as required under Clause 49 of the Listing Agreement entered with Stock Exchange of person seeking appointment/re-appointment as Director is also annexed and forms part of this Notice.
- Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**
- All the material documents, Resolutions, Memorandum and Articles of Association of the Company etc. are open for inspection to the members during the office hour of all working day till the conclusion of the Annual General Meeting at the registered office of the Company.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

### Item No. 5

M/s. Sumitomo Wiring Systems Limited, Japan (SWS), a Joint Venture Partner of your Company has nominated Ms. Noriyo Nakamura on the Board of your company w.e.f. January 31, 2014 in the casual vacancy caused by the resignation of Mr. Hideaki Ueshima.

Ms. Noriyo Nakamura is a Graduate in German Studies from Sophia University, Japan and Master of Arts from Jawaharlal Nehru University, New Delhi, India. She has been associated with Sumitomo Group, Japan since November 2006. She has rich experience in the field of Projects, Strategy, Planning and development of the business. Presently she is Vice President of SWS India Management Support & Service Pvt. Ltd.

Had Mr. Hideaki Ueshima continued in the Office, he would have been retiring at the ensuing Annual General Meeting. Therefore, Ms. Noriyo Nakamura holds the Office of the Director up to the date of the ensuing Annual General Meeting.

The Company has received a notice from a member of the Company alongwith requisite fee under section 160 of the Companies Act, 2013 proposing the candidature of Ms. Noriyo Nakamura for the office of Director of the Company.

Except Ms. Noriyo Nakamura none of the Directors, Key Managerial Personnel or their relatives is concerned or interested, financially or otherwise in the resolution.

The Board recommends the resolution set forth in item no. 5 for approval of the members.

### Item No. 6

The Board of Directors of the Company appointed Ms. Geeta Mathur as an Additional Director of the Company w.e.f. January 31, 2014.

In terms of the provisions of Section 161(1) of the Companies Act, 2013 and Article 85 (2) of Articles of Association of the Company, Ms. Geeta Mathur would hold office up to the date of the ensuing Annual General Meeting.

Ms. Geeta Mathur is a Graduate in Commerce (Honours) from Shri Ram College of Commerce, University of Delhi and a qualified Chartered Accountant with a meritorious educational background.

She has over 25 years of rich experience in the field of project, corporate and structured finance, treasury, business development, investor relations, strategic planning and team building in diverse industries like finance, real estate, chemicals and plastic compounds and also in NGOs.

The Company has received a notice from a member of the Company along with requisite fee under section 160 of the Companies Act, 2013 proposing the candidature of Ms. Geeta Mathur for the office of Director of the Company.

Ms. Geeta Mathur is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

Section 149 of the Companies Act, 2013 *inter alia* stipulates the criteria of independence should a Company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office up to 5 (five) consecutive years on the Board of the Company and shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Ms. Geeta Mathur that she meets with the criteria of independence as prescribed under section 149(6) of the Companies Act, 2013 and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Ms. Geeta Mathur fulfils the conditions for her appointment as an independent director as specified in the Companies Act and the Listing Agreement. Ms. Geeta Mathur is independent of the management.

Keeping in view her vast expertise and knowledge, it will be in the interest of the Company that Ms. Geeta Mathur is appointed as an Independent Director.

Except Ms. Geeta Mathur none of the Directors, Key Managerial Personnel or their relatives is concerned or interested, financially or otherwise in the resolution.

The Board recommends the resolution set forth in item no. 6 for approval of the members.

### Item No. 7 to 10

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges, appointed Maj. Gen. Amarjit Singh (Retd.), Mr. S.C. Tripathi, IAS (Retd.), Mr. Arjun Puri and Mr. Gautam Mukherjee, as Independent Directors at various times, in compliance with the requirements of the Clause.

Pursuant to the provisions of Section 149 of the Companies Act, 2013, which come into effect from April 1, 2014, every listed company is required to have at least one-third of the total numbers of directors as independent directors, who are not liable to retire by rotation.

Maj. Gen. Amarjit Singh (Retd.), Mr. S.C. Tripathi, IAS (Retd.), Mr. Arjun Puri and Mr. Gautam Mukherjee, non-executive directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013. In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and rules framed thereunder for appointment as Independent Director and they are independent of the management.

The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of each of the above mentioned Directors for appointment as independent directors of the Company.

In compliance with the provisions of section 149 read with Schedule IV to the Companies Act, 2013, the appointment of these directors as Independent Directors is now being placed before the members for their approval.

A brief profile of the Independent Directors to be appointed is given below:

**Maj. Gen. Amarjit Singh (Retd.)** is Engineering Degree holder in Electrical & Mechanical Engineering and Post Graduate Course in Automobile Engineering from Military Engineering College, Secunderbad. He also pursued advanced courses in Industrial Engineering and Information Technology. Prior to this, he received 2 years training in military and academic subjects at National Defense Academy and subsequently advanced military training at Indian Military Academy.

He served the Indian Army for over 35 years as a Commissioned Officer and retired as Major General in the year 1990. He was awarded with the Vishista Seva Medal for his distinguished services in Indian Army. During his tenure with Indian Army, he was also appointed at Indian Army Headquarter as Leader of Management studies for three years and later headed the Management Information system of the Army. He also served as a technical staff officer with UN Forces in Congo (Africa) for a period of one year. He was also Commander Technical group as Major General and was responsible for planning of engineering support for the technical equipment in the army.

After his retirement in 1990, he was Chief Executive of an Auto Ancillary engaged in the manufacture of HVAC Systems for Cars for period of 5 years. He then joined Samvardhana Motherson Group for about 10 years as Senior Vice President , heading the group Corporate function.

**Mr. S.C. Tripathi, IAS (Retd.)** is a Graduate in law and Post Graduate in Science. Mr. Tripathi started his career as Assistant Professor at Allahabad University and joined Indian Administrative Service in the year 1968. He spent nearly 38 years in the Government and working for over 30 years in senior positions at State and Central Governments as Chief Executive, Secretary and Principal Secretary and in respective capacity at international level.

Some important assignments at State level in Uttar Pradesh include District Magistrate, Commissioner, Founder Chief Executive of Noida township, Managing Director of Industrial and Investment Corporation, Secretary in the department of Rural Development and Panchayatiraj, Heavy Industry, Taxation and Institutional Finance and later as Principal Secretary / Adviser in Industry, Public Enterprises and Finance Department.



In Government of India, he worked as Joint Secretary (Banking), Secretary Board of Industrial and Financial Reconstruction, Joint Secretary (Eco. Affairs), Embassy of India, Tokyo, Additional Secretary (Mines), Chairman and Managing Director of Bharat Aluminium and National Aluminium. He, later worked as Secretary to the Government of India in the three departments of School Education and Literacy, Higher and Technical Education and Petroleum and Natural Gas.

**Mr. Arjun Puri** is Graduate in Economics (Honours) from Shri Ram College of commerce, University of Delhi. For the past 38 years, Mr. Puri has been associated with Auroville, Pondicherry and has vast experience of inspiring and implementing many initiatives for sustainable life styles.

He has been member of Central Coordination Committees, responsible for day to day affairs of Auroville. As member of Matrimandir Coordination Group, for a period of 25 years, he handled the Finance and Administration portfolio and coordinated construction related research all over the world for this architectural marvel which is the spiritual centre of Auroville. He instituted in this project innovative Management systems that would function in a vast spectrum of conditions responsive on the one hand to the innumerable neighbouring villages and on the other to Auroville residents from more than 48 countries.

In addition he has been active in the field of Education, teaching English, Economics, History and Public Speaking to an International collection of students at Auroville Schools, which are known for their unique experimental nature.

In 1985, during the UN International Youth Year, Auroville hosted the first International conference of the year and he was a member of the Group that organized this World Youth Conference on Human Unity in collaboration with the Ministry of Sports and Youth Affairs, Government of India.

In 1991, at the invitation of the Government of Japan, Mr. Puri was designated by the Government of India as Leader of the Indian Delegation of Teachers to represent India in Japan, at a gathering of SAARC nations.

Presently, he is also a Director of Varuna Energy & Water Pvt. Ltd., Auroville which is a company dedicated under the Auroville Foundation to promote Wind Energy through its purchase of Wind Generators. He along with others has created an 'Energy in Kind' contribution of free electricity for the township of Auroville.

**Mr. Gautam Mukherjee** is a Bachelor of Art. He joined State Bank of India (SBI) as Probationary Officer in 1983 and served the bank till 1990, involved in financial due diligence and appraisal of a number of large projects. He served The Economic Times, India's leading financial daily, as Financial Editor at New Delhi from 1990-96. He had written extensively on Indian economy, financial sector reforms, steel, labour and corporate sector. He also served ICICI Bank as Vice President and its North India Head for Corporate Banking from 1996-2002 and then ING group and was Regional Head of north India of its corporate banking and emerging corporate sector till 2007. Then worked with National Commodity & Derivative Exchange Limited (NCDEX) as Head of Corporate Communication and Government relationship and worked with an Auto Ancillary in India as President (Finance & Accounts) till June 2012.

Other details of the Independent Directors whose appointment is proposed at Items No. 7 to 10 of the accompanying Notice, have been given in the annexure attached.

Maj. Gen. Amarjit Singh (Retd.), Mr. S.C. Tripathi, IAS (Retd.), Mr. Arjun Puri and Mr. Gautam Mukherjee, respectively, are concerned or interested, financially or otherwise in the resolutions of the accompanying Notice relating to their own appointment.

#### **Item No. 11**

The Board of Directors of the Company subject to the approval of the members and such other approvals as may be required have re-appointed Mr. Pankaj Mital, as Whole-time Directors designated as 'Chief Operating Officer' of the Company for a further period of three year w.e.f. 1<sup>st</sup> April, 2014 at the remuneration approved by the Board.

Mr. Pankaj Mital is a Graduate in Science & Law and Post Graduate in Management. He has vast experience in the field of Electronic Distribution System (EDS) in Automobile Industries. He has been associated with the Company for the last 22 years and the Company has benefited immensely from his wide and varied experience. He has been working in various capacities including overseas posting with the Company.

The terms and conditions as to remuneration etc. as detailed hereunder.

#### **1. REMUNERATION**

Salary of Rs. 675,500/- per month in the range of Rs. 650,000/- to Rs. 900,000/- per month, with such annual increments at the discretion of the Board from time to time.

#### **2. ALLOWANCES**

He will be entitled to Bonus as per rules of the Company and other allowances like House Rent Allowance in lieu thereof, medical reimbursement, leave travel concession for self and his family including dependants, personal accident insurance, children education allowance, other perquisites and amenities in accordance with the rules of the Company.

#### **3. PERQUISITES AND OTHER TERMS**

- He will be entitled to Company's contribution to Provident Fund, Superannuation Fund and Annuity Fund, if any.
- He will be entitled to Company's car and a mobile phone. Private long distance call would be billed to the Whole-time Director.
- He will not be entitled to sitting fees for attending meetings of the Board or Committee(s) thereof.
- Payment of gratuity as per the policy of the Company.
- Encashment of leave as per policy of the Company.
- The aforesaid appointment may be terminated by either party giving three months notice in advance.

The said perquisites and allowance shall be evaluated, wherever applicable, as per the provisions of the Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment thereof; in the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost.

In the event of loss/inadequacy of profit, the aforesaid remuneration will be treated as minimum remuneration in terms of the provisions of Schedule V to the Companies Act, 2013 as applicable from time to time.

Mr. Pankaj Mital shall perform such duties as shall from time to time be entrusted to him, subject to the superintendence, guidance and control of the Board of Directors and he shall perform such other duties as shall from time to time be entrusted to him by the Board of Directors.

The above may be treated as a written memorandum setting out the terms of the re-appointment of Mr. Pankaj Mital under section 190 of the Companies Act, 2013.

Except Mr. Pankaj Mital none of the Directors, Key Managerial Personnel or their relatives is concerned or interested, financially or otherwise in the resolution.

The Board recommends the resolution set forth in item no. 11 for approval of the members.

By Order of the Board

Sd/-

G.N. GAUBA

Chief Financial Officer &  
Company Secretary  
Membership No. - A9299

Place : NOIDA  
Date : July 22, 2014

#### **Regd. Office:**

2<sup>nd</sup> Floor, F-7, Block B-1,  
Mohan Co-operative Industrial Estate,  
Mathura Road, New Delhi – 110 044



**Details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting  
(Pursuant to clause 49 of the Listing Agreement)**

<b>Name of Director</b>	Mr. Pankaj Mital	Ms. Noriyo Nakamura	Ms. Geeta Mathur	Maj. Gen. Amarjit Singh (Retd.)	Mr. S.C. Tripathi, IAS (Retd.)	Mr. Arjun Puri	Mr. Gautam Mukherjee
<b>Director Identification No.</b>	00194931	06809512	02139552	00211758	00941922	00211590	02590120
<b>Date of Birth</b>	15.09.1966	24.06.1973	21.11.1966	08.11.1934	01.01.1946	01.08.1956	25.03.1957
<b>Date of Appointment</b>	02.09.2011	31.01.2014	31.01.2014	29.05.2003	10.09.2012	11.01.2006	10.09.2012
<b>Experience in specific Functional area</b>	He has vast experience in the field of Electronic Distribution System (EDS) in Automobile Industry.	She has rich experience in the field of Projects, Strategy, Planning and development of the business.	A Chartered Accountant having experience in the field of Finance, Treasury, Strategic Planning etc.	A Mechanical Engineer and Post Graduate in Business Management. He is a retired Army Officer and he was awarded the Vishista Seva Medal for his distinguished services in Indian Army.	A retired IAS Officer and having vast experience in the field of Economy, Management, Finance and Taxation areas.	Having experience in the field of planning and other related management areas	A Banker having vast experience in the field of Finance, Planning, Project Management areas.
<b>Qualification</b>	B.Sc., LL.B, PGDBM	Graduate in German Studies, Master of Arts	B.Com (H), Chartered Accountant	Mechanical Engineering , Post graduate in Business Management	M.Sc., LL.B, IAS (Retd.)	Graduate in Economics (Hons.)	Bachelor of Art
<b>Directorship in other Public Limited Companies</b>	- SMR Automotive Systems India Ltd. - MSSSL Automobile Component Ltd.	Nil	NIIT Limited *	MothersonSumi Infotech & Designs Ltd.	- Indusind Bank Limited - IIDC Limited - IL&FS Energy Development Company Ltd. - Reliance Capital Asset Management Company Ltd. - Gammon Infrastructure Projects Ltd. - Kailash Healthcare Ltd. - The State Trading Corporation of India Ltd.	MothersonSumi Infotech & Designs Ltd.	Raunaq International Limited
<b>Member/Chairman of the Committee of the Board of the Public Limited companies on which he / She is director</b>	<b>Audit Committee</b> SMR Automotive Systems India Ltd.	<b>Audit Committee</b> Nil	<b>Audit Committee</b> Motherson Sumi Systems Ltd.	<b>Audit Committee</b> MothersonSumi Infotech & Designs Ltd. (Chairman)	<b>Audit Committee</b> - Motherson Sumi Systems Ltd. (Chairman) - Indusind Bank Limited - IIDC Limited - IL&FS Energy Development Company Ltd. - Reliance Capital Asset Management Company Ltd. - Gammon Infrastructure Projects Ltd. - Kailash Healthcare Ltd.	<b>Audit Committee</b> MothersonSumi Infotech & Designs Ltd.	<b>Audit Committee</b> Motherson Sumi Systems Ltd.
	<b>Shareholders'/ Investors' Grievance Committee</b> Motherson Sumi Systems Ltd.	<b>Shareholders'/ Investors' Grievance Committee</b> Nil	<b>Shareholders'/ Investors' Grievance Committee</b> Nil	<b>Shareholders'/ Investors' Grievance Committee</b> - Motherson Sumi Systems Ltd. (Chairman) - MothersonSumi Infotech & Designs Ltd.	<b>Shareholders'/ Investors' Grievance Committee</b> Nil	<b>Shareholders'/ Investors' Grievance Committee</b> Nil	<b>Shareholders'/ Investors' Grievance Committee</b> Nil

\* Appointed on 01.04.2014

**Details of Shareholding / other convertible instruments of Non-executive and  
Independent Directors of the Company  
(Pursuant to clause 49 of the Listing Agreement)**

<b>Sl. No.</b>	<b>Name of Director</b>	<b>No. of Equity Shares</b>	<b>Other convertible Instruments</b>
1.	Mr. Vivek Chaand Sehgal	28703638	Nil
2.	Maj. Gen. Amarjit Singh (Retd.)	Nil	Nil
3.	Mr. S.C. Tripathi, IAS (Retd.)	Nil	Nil
4.	Mr. Arjun Puri	Nil	Nil
5.	Mr. Gautam Mukherjee	Nil	Nil
6.	Mr. Toshimi Shirakawa	Nil	Nil
7.	Ms. Geeta Mathur	Nil	Nil
8.	Mr. Laksh Vaaman Sehgal	37	Nil
9.	Ms. Noriyo Nakamura	Nil	Nil

Note - No. of equity shares held as on 31.03.2014



## MOTHERSON SUMI SYSTEMS LIMITED

Regd. Office: 2nd Floor, F-7, Block B-1, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi – 110 044  
CIN: L34300DL1986PLC026431

### ATTENDANCE SLIP

27<sup>th</sup> Annual General Meeting, Monday, 25th day of August, 2014 at 11:30 A.M.

Folio No. /DP Client ID \_\_\_\_\_

No. of shares \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

I/ We hereby record my/ our presence at the 27<sup>th</sup> Annual General Meeting of the Company being held at 11:30 A.M. on Monday, August 25, 2014 at FICCI Golden Jubilee Auditorium, Federation House, Tansen Marg, New Delhi-110001.

\_\_\_\_\_  
Signature of shareholder/ proxy



## MOTHERSON SUMI SYSTEMS LIMITED

Regd. Office: 2nd Floor, F-7, Block B-1, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi – 110 044  
CIN: L34300DL1986PLC026431

### PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s):  Registered address:		E-mail Id:  Folio No/ Client Id: DP ID:	
--	--	--	--

I/We, being the member (s) of ..... shares of Motherson Sumi Systems Limited, hereby appoint

1. Name ..... Email Id .....

Address .....

Signature .....

or failing him/ her

2. Name ..... Email Id .....

Address .....

Signature .....

or failing him/ her

3. Name ..... Email Id .....

Address .....

Signature .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27<sup>th</sup> Annual General Meeting of the company, to be held on Monday, 25th day of August, 2014 at 11:30 A.M. at FICCI Golden Jubilee Auditorium, Federation House, Tansen Marg, New Delhi-110001 and at any adjournment thereof in respect of such resolutions as are indicated below:



\* I wish my above proxy to vote in the manner as indicated in the box below:

Resolution No.	Resolution	For	Against
1.	Adoption of Balance Sheet, Statement of Profit & Loss, Report of the Board of Directors and Auditors for the financial year ended 31 <sup>st</sup> March, 2014		
2.	Declaration of Dividend on Equity Shares		
3.	Re-appointment of Mr. Pankaj Mital, who retires by rotation		
4.	Appointment of Auditor and fixing their remuneration		
5.	Appointment of Ms. Noriyo Nakamura to fill up the casual vacancy of Mr. Hideaki Ueshima		
6.	Appointment of Ms. Geeta Mathur as an Independent Director		
7.	Appointment of Maj. Gen. Amarjit Singh (Retd.) as an Independent Director		
8.	Appointment of Mr. S.C. Tripathi, IAS (Retd.) as an Independent Director		
9.	Appointment of Mr. Arjun Puri as an Independent Director		
10.	Appointment of Mr. Gautam Mukherjee as an Independent Director		
11.	Re-appointment of Mr. Pankaj Mital as Whole-time Director		

Signed this..... day of..... 2014.

Affix  
Revenue  
Stamp

Signature of shareholder

Signature of Proxy holder(s)

**Notes:**

- 1) **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
- 2) A proxy need not be a Member of the Company.
- 3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- \* 4) This is only optional. Please put a '☒' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.



Metherson Sumi  
Systems Limited



## **Annual Report.**

2013-2014

**Proud to be  
Part of  
the world's  
most  
admired  
automotive  
brands.**



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## Disclaimer

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in 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. Toshimi Shirakawa  
Director

Mr. Arjun Puri  
Director

Mr. Gautam Mukherjee  
Director

Ms. Geeta Mathur  
Director

Mr. Laksh Vaaman Sehgal  
Director

Ms. Noriyo Nakamura  
Director

Mr. Pankaj Mital  
Whole-time Director / Chief Operating Officer

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

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



Samvardhana Motherson Group (SMG) is one of the world's fastest growing specialised automotive component makers for original equipment manufacturers (OEMs), operating in over 25 countries, having over 150 manufacturing facilities, with a turnover of approximately USD 6.1 billion in the fiscal year 2013-14. Major investments in the Group are held through Samvardhana Motherson International Limited (SMIL), the principal holding company of the Group.

SMIL provides design and manufacturing solutions, primarily to the automotive industry, through subsidiaries and joint ventures with partners in the relevant fields. SMIL holds 36.12% of the equity share\* capital of Motherson Sumi Systems Limited (MSSL). Being the central company that binds and manages the different ventures of SMG, SMIL provides support, strategy and management to all other companies within SMG, particularly to MSSL.

SMIL's extensive joint venture portfolio has



played a crucial role in strengtening MSSL's position as a full system solutions provider to a wide range of industries. SMIL is especially capable of successfully forging partnerships with global technological leaders and has 26 joint venture partners. It gave pivotal support to MSSL in its acquisitions of Visiocorp and Peguform, now Samvardhana Motherson Reflectec (SMR) and Samvardhana Motherson Peguform (SMP) respectively.

The Group designs and manufactures wiring harnesses, rear view mirrors, integrated modules like bumper, dashboard and door trim modules and various plastic parts, air conditioning systems, lighting and air intake systems, pedal boxes, and metal parts. It delivers these products directly to the assembly plants of all the major automobile manufacturers across the world, based on In-line and In-sequence principles.

The Group's business portfolio also includes injection moulding tools, cutting tools, thin film coating, paint coating equipment, air

compressors, automotive manufacturing engineering services, auxiliary equipment for injection moulding machines, and IT, engineering and design services required in the automotive manufacturing business and other industries. SMG is one of the most diversified groups in the automotive industry. The competencies of the Group's companies combine to develop integrated solutions for its customers.

The objective is to be one of the world's most trusted companies in the automotive ancillary industry. To reach this goal, the Group continues its disciplined and customer-led expansion into new geographies and product categories, thus increasingly delivering more content and value per car.

From the factory floor to the boardroom, each employee is proud to be part of something bigger than the individual and this realisation is a powerful motivator. It is the ability of the Group to harness this power that sets it apart and defines its spirit and success.

\*As on 31.03.2014



Sumitomo Wiring Systems, Ltd. Our Principal Partner

Motherson's relationship with Sumitomo Wiring Systems (SWS) began in 1983 with a technical agreement. The association was further strengthened with the formation of Motherson Sumi Systems Limited (MSSL) as a joint venture in 1986. MSSL was set up to manufacture wiring harnesses.

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

Having a strong research orientation, SWS has regularly introduced new components and technologies into the market. It has a strong technology base and capability to bring in innovations in vehicle electronics. 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 us with the latest technologies for manufacturing wiring harnesses and wires, and gradually extended the relationship to provide technical support for components, injection moulded parts, tooling, engineering and design, and software development.

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 us stay abreast of state-of-the-art technologies and enhancing overall product quality at competitive costs to deliver lasting value to customers over the years.



Wiring harnesses

The Group manufactures and supplies wiring harnesses to the entire cross section of the automotive industry, from passenger cars to commercial vehicles, 2 wheelers, 3-wheelers, off road vehicles, farm & agriculture equipment and material handling equipment as well as specialised wiring harnesses for medical diagnostic equipment.

Rear view mirrors

The Group manufactures exterior and interior mirrors. Mirror technologies aim to reduce human error and increase safety on the roads. To that end, Motherson produces mirrors with integrated lighting, blind spot detection systems (to see areas not normally seen by mirrors) and telescopic trailer tow (extendable mirrors to see behind trailers). We are one of the world's largest mirror manufacturers for passenger vehicles.

Polymer processing and tooling

Polymer processing operations encompass the interior and exterior plastic products that are used in vehicles. The Group produces a diverse range of plastic components for vehicle interiors as well as exteriors. Interior plastic products include cockpit modules, door trim modules, centre consoles, full body panels and pillar trims. Exterior plastic products include bumper fascia, front-end carriers and front-end modules.

Elastomer processing

The Group provides a wide range of solutions in elastomer processing ranging from rubber compounding to injection moulded rubber parts and extruded rubber components for a spectrum of industries including automotive, medical, home appliances and general industrial applications.

Modules

The Group builds higher level modules that often form the heart of the products and vehicles they are ultimately fitted into and need to be built for user comfort. These include HVAC (heating, ventilation and air conditioning) systems in both passenger and commercial vehicles, automotive lighting, air intake manifolds, pedal box modules and cabins for off-highway vehicles.

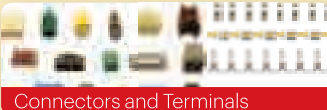
Directly into vehicle



Wiring Harnesses



Wires



Connectors and Terminals



Wiring Harness Components



Exterior Mirrors



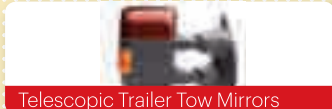
Interior Mirrors



Mirrors with Integrated Lighting



Blind Spot Detection Systems



Telescopic Trailer Tow Mirrors



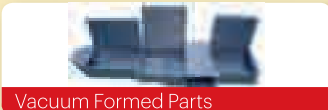
Injection Moulded Plastic Parts



Blow Moulded Plastic Parts



Assemblies



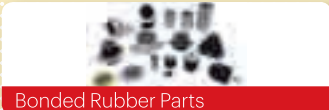
Vacuum Formed Parts



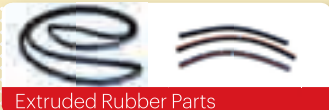
Injection Moulded Rubber Parts



Injection Moulded Silicon Parts



Bonded Rubber Parts



Extruded Rubber Parts



HVAC Systems for Passenger Vehicles



Bus Air-conditioning



HVAC Systems for Commercial Vehicles

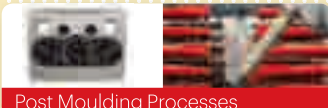


Lighting, Air Intake Manifolds, Pedal Box Assembly

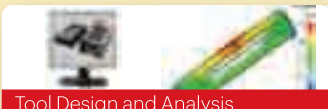


Cabins for Off Highway Vehicles

Indirect / Support



Post Moulding Processes



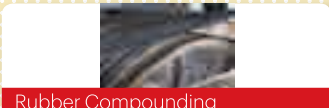
Tool Design and Analysis



Injection Moulding Tools



Polymer Compounding



Rubber Compounding



Environment Management Systems

The Group is also involved in the following businesses:  
Travel Services, Management Services and Agencies.

### Metal working

The Group provides total solutions in metal machining. SMG provides cutting tools, bimetal band saw blades, gear cutting tools, thin film coating tools and sintered metal parts along with precision metal machined components.

### IT, Engineering and Design

IT, Engineering and Design supports all product development that happen within various verticals of the Group including product design, virtual validation, prototyping, computer aided engineering (CAE) services, tool design and design of jigs.

### Manufacturing support

The Group provides a wide range of solutions that support manufacturing processes. The range includes air compressors, paint coating equipment, auxiliary equipment for injection moulding machines and automotive manufacturing engineering.



Precision Metal Machined Components



Cutting Tools



Software Development



Air Compressors



Bimetal Band Saw Blades



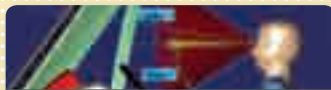
Engineering and Design



Paint Coating Equipment



Gear Cutting Tools



Virtual Validation



Automotive Manufacturing Engineering



Thin Film Coating Metals



CAE Services



Auxiliary Equipment for Injection Moulding Machines



Sintered Metal Parts



Prototyping



## Letter from the Chairman.



'MSSL has delivered a record performance'

## Dear shareholders,

It gives me immense pleasure to share with you that your company has delivered another record performance in the fiscal year 2013-14.

In absolute terms our growth is remarkable, given the way a challenging global economy has put pressure on the automotive industry. MSSL achieved the highest ever earnings this year, reported both on a consolidated as well as on a standalone basis.

Our consolidated sales increased by 20% to INR 30,358 crore in FY13-14 translating to USD 5.03 billion, surpassing our 2015 target one year ahead. 84% of our consolidated sales were from customers outside India. Our operating EBITDA for 2013-14 grew by 50%, and the PBT and PAT increased by 84% and 72%, respectively. We have improved our consolidated ROCE (return on average capital employed) from 18% to 26% and the standalone ROCE is at 39%. We have also proposed a dividend of INR 2.50 per share (subject to your approval) on enhanced capital on account of a bonus issue.

We incurred a capital expenditure of INR 1,352 crore during FY13-14 to match the requirements of new orders from our customers. At the same time we have achieved a net reduction in debt by INR 376 crore in spite of the weakening Rupee.

The industry showed signs of improvement

and the passenger vehicle segment showed improvement on a global basis with nearly 5% growth during the year. USA, Germany and Asia (other than India) did particularly well. Given our global positioning and the trust of our customers, MSSL has grown faster than the market by increasing our content per car and supplying to new models. All the major divisions of MSSL have shown good growth.

The wiring harness business of MSSL saw sustained growth, receiving orders from all our existing customers and getting orders for new models to be launched in all the segments it serves. The new plants at Mexico and Thailand have already commenced supplies.

We are very pleased to inform you that MSSL has signed an agreement to acquire the wiring harness business of Stoneridge Inc. in North America. The deal is expected to be closed in the July - September quarter of FY14-15, subject to necessary approvals. With this acquisition, MSSL gets one of the most experienced wiring harness manufacturing operations in the region which would increase our customer reach. More importantly, it would add very talented team members who can help MSSL to better service our customers in these geographies. We envisage North America to be a key contributor to our future growth. This is a step further in MSSL's principle of expanding all its product

segments and maintaining a well-balanced product portfolio.

Samvardhana Motherson Reflectec (SMR), the mirror division of MSSL, saw healthy growth and reported its highest-ever operating profit, PBT and PAT for the full year during FY13-14. During 2013-14, SMR received new orders worth Euro 1.56 billion extended over the life of the respective projects. SMR is further expanding through its plants in China and the USA and adding capacities for vertical integration in India and Thailand.

Our polymer division performed exceptionally well too, with Samvardhana Motherson Peguform (SMP) showing a 22% increase in revenue in INR terms compared to last year and receiving new orders worth Euro 2.44 billion. SMP is further expanding with new plants in Beijing (China), Schierling (Germany) and San Jose Chiapa (Mexico). MATE, the polymer division of MSSL in India has an upcoming facility at Sanand, Gujarat. Polymer operations in South Africa have expanded, backed by new orders from an increasing customer base.

Post the March 31<sup>st</sup> closing date, we have undertaken a number of initiatives in our SMR and SMP verticals. We have successfully purchased the 16.28% minority shareholding held by Cross Industries in SMP and 4.82% of the minority shareholding in SMR held by

a number of investors. These changes have helped us consolidate SMR and SMP under a new holding entity Samvardhana Motherson Automotive Systems Group B.V., Netherlands (SMRPBV) which is a subsidiary of MSSL and a joint venture with Samvardhana Motherson International Limited. MSSL holds a 51% stake in this entity. SMRPBV will aid realisation of the strong synergies in terms of products, processes, technologies, design capabilities, customers and geographies served between SMR and SMP.

SMRPBV has an existing order book of Euro 7.7 billion beyond its existing business. In order to finance the execution of these orders, we have refinanced the existing capital structure of SMRPBV through long term financing in the form of 4.125% seven-year Euro 500 million senior secured notes, that is further supplemented by committed revolving credit facilities. MSSL or SMIL has not provided any guarantee for this purpose. The revised capital structure has been rated BB+ with a stable outlook by Standard & Poor's.

This is an important step, not only towards interest cost reduction but also towards giving SMR and SMP a strong foundation for growth, by enabling them to execute the orders they have received.

We are delighted that we have been able to continue to strengthen our position as a global partner for automotive OEMs. We are working very closely with our customers and have built capabilities in line with their future requirements and the new orders that they have entrusted us with.

In the coming years, our main focus will be on further strengthening our international position across product divisions, increasing support to our customers by leveraging more synergies across our various product verticals

and strengthening our vertical integration.

I would also like to take this opportunity to share a few words on the business philosophy that underlines our past growth and our optimism for the future. At Motherson, each one of us feels that we are part of something bigger than ourselves and that collective strength motivates us to take on newer challenges. We are proud to be part of the legendary automotive brands that we work with. We are proud to be part of the growing prosperity of our investors, who trust us with their capital to do what we do best and to expand our business. We are equally proud to be part of the communities we work in around the world. As a result, our employees feel proud to be part of the Motherson family.

The sense of purpose we derive from this philosophy, genuinely propels us to better ourselves in every arena we work in. Thus, we build our performance track record that generates and strengthens the trust of our customers, leading them to ask us to do more for them across the markets they operate in. Being asked to do more increases our content and value per car, thus meeting our strategic objectives.

"Proud to be part of" therefore captures the sense of purpose that drives the long-term value creation approach at Motherson. It also reflects our belief that the long-term success of our company lies not just in our physical assets but also in our intangible assets: our culture, our relationships, our expertise, our brand and what we stand for.

In FY14-15, we enter the last year of the current five-year plan. This year we have already achieved some important milestones including consolidated turnover and turnover from customers outside India. We are now focusing on our ROCE target. Looking ahead,

we are now setting our sights even higher towards our new five-year plan, to be declared next year, that will take us to 2020. Given the performance of the last couple of years and a more positive outlook for the global economy, I would like to state that we are upbeat about our future. Our 2015–2020 plan will certainly be seeing us take the next leap for a strong and balanced growth.

With this in mind, we want to thank our collaborators for always providing great support and our customers for their continuous trust in our abilities, which give us the opportunity to be part of their success. We would also like to thank all the local, state and national governments in countries where we operate, concerned bodies across the geographies, banks and financial institutions for their continued support. Despite this being one of the toughest years for the automobile industry, we were able to outperform the market. For this we thank all our employees for their commitment and tireless efforts. And finally, we want to thank you, our shareholders, for your continued support. The trust you have in us always propels us to perform better in our endeavour to create long term value for all.



**V. C. Sehgal**  
Chairman  
Motherson Sumi Systems Limited





# 2013-2014 Financial Highlights.

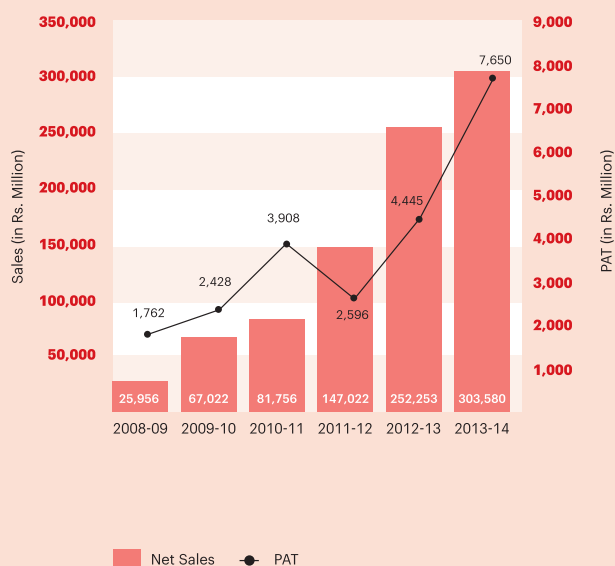
## Consolidated

(Rs. in Million)

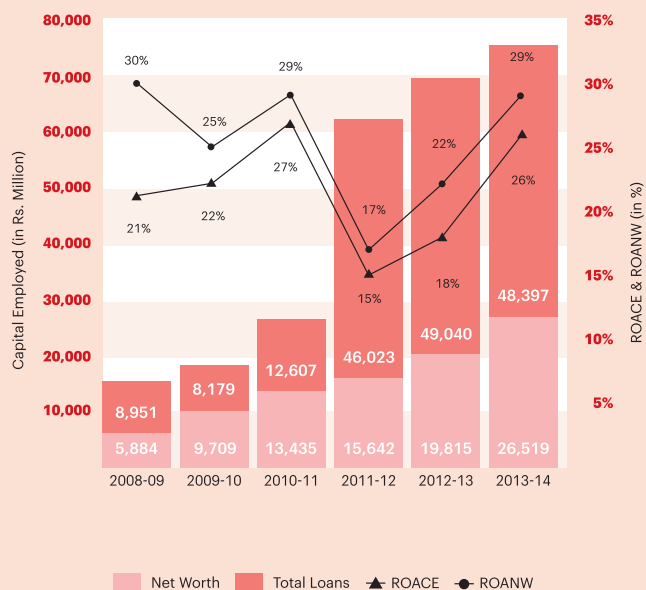
MSSL Consolidated	2013-14	2012-13	% change
Sales – Net of Excise			
Within India	47,275	45,672	4%
Outside India	256,305	206,581	24%
Total Sales	303,580	252,253	20%
PBIDT*	28,678	19,092	50%
Profit before Tax	15,960	8,351	91%
Profit after Tax (net) (Concern share)	7,650	4,445	72%
Diluted Earning Per Share (Rs. Per Share)	8.67	5.04	72%
Reserve and Surplus	28,711	22,302	29%
Loan Funds (Net)	48,397	49,040	-1%

\*Excludes foreign exchange fluctuation on Long Term Loans, Exceptional Income / Expense and Non Operating Income.

### Net Sales & PAT



### Capital Employed & ROACE



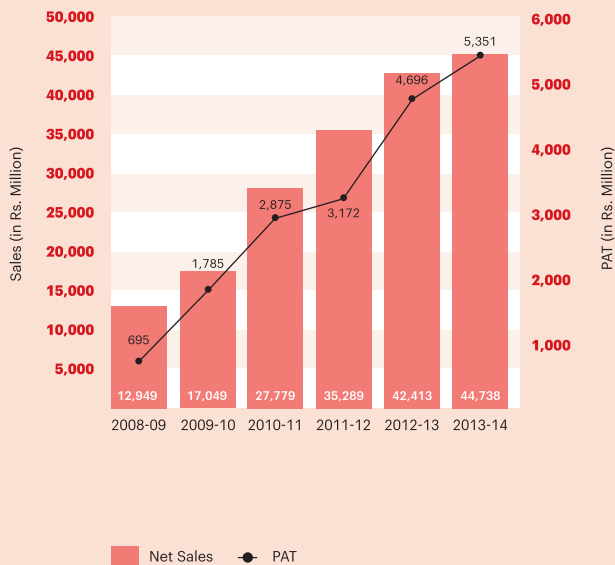
# Standalone

(Rs. in Million)

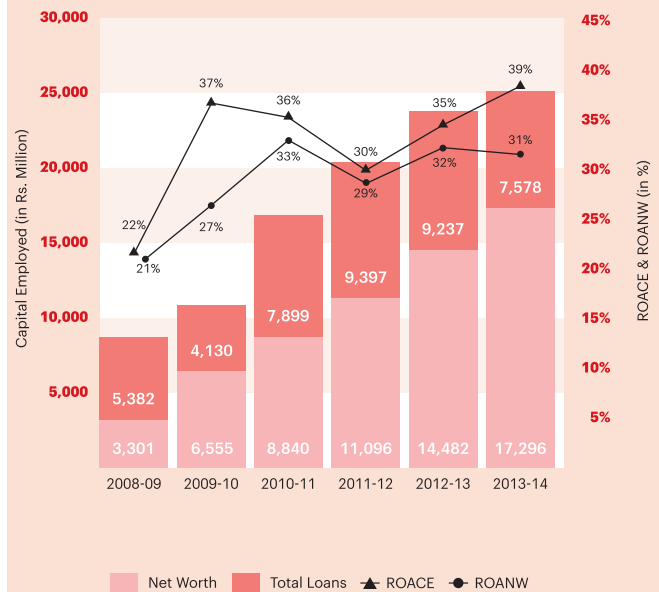
MSSL Standalone	2013-14	2012-13	% change
Sales – Net of Excise			
Within India	37,700	36,616	3%
Outside India	7,038	5,797	21%
Total Sales	44,738	42,413	5%
PBIDT*	9,285	8,037	16%
Profit before Tax	7,584	6,497	17%
Profit after Tax (net)	5,351	4,696	14%
Equity Capital	882	588	50%
Diluted Earning Per Share (Rs. Per Share)	6.07	5.33	14%
Reserve and Surplus	18,174	15,652	16%
Loan Funds (Net)	7,578	9,273	-18%

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

## Net Sales & PAT



## Capital Employed & ROACE



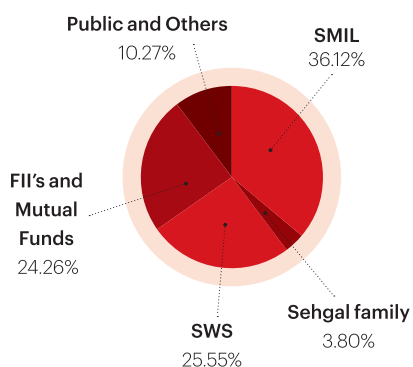
# Company Overview.



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

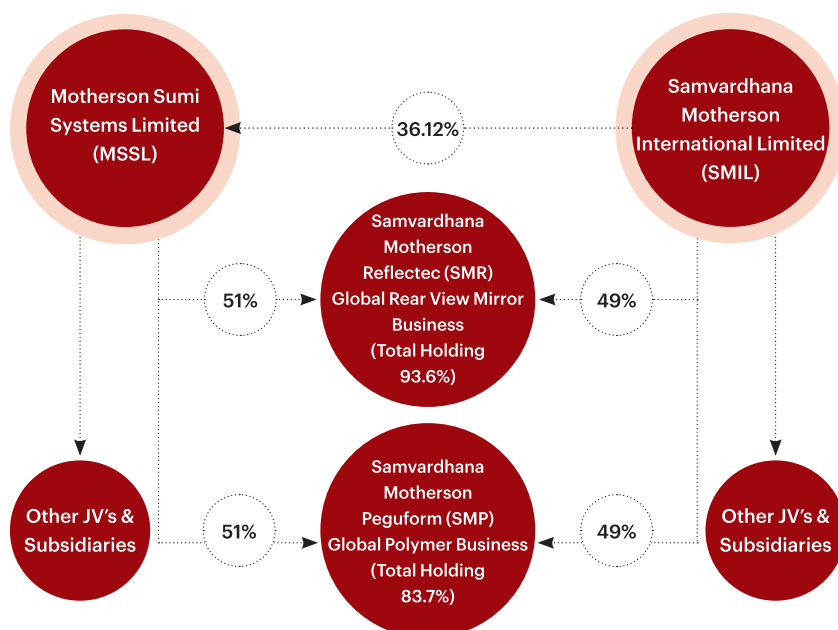
## MSSL Shareholding Pattern

(As on 31.03.2014)

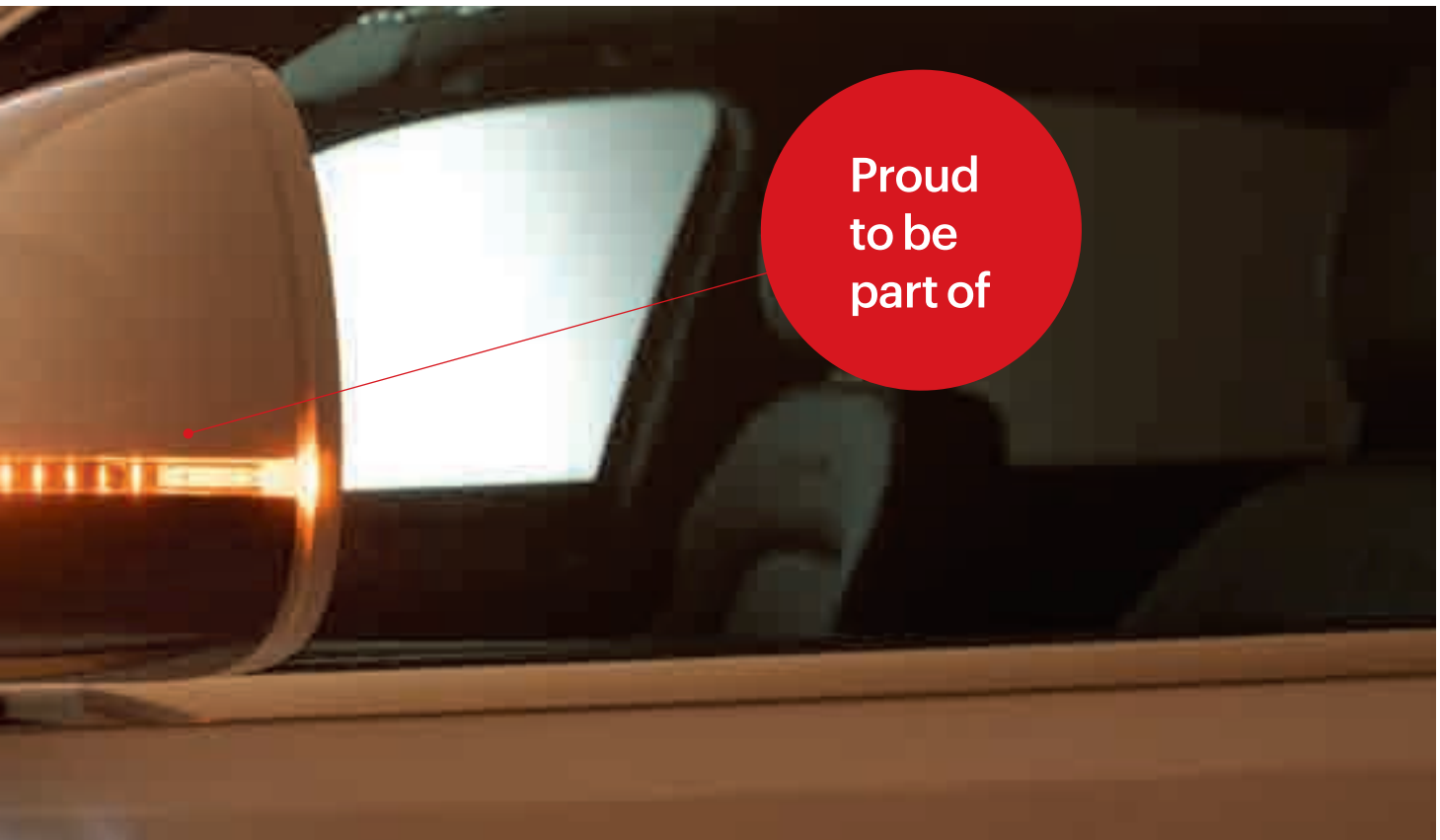


## MSSL Shareholding in Major Subsidiaries\*

(As on 31.03.2014)



\*graphical representation only, not a legal structure.



### What we do

MSSL provides integrated full system solutions for a diversified product range, mainly to the automotive industry. The company's ability to be a one-stop solution provider for its customers is accentuated by its manufacturing presence across Asia, Europe, North America, South America, Australia and Africa.

The depth of vertical integration coupled with its diversified product portfolio provides MSSL with significant advantages. It enables MSSL to increase the supply of its 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. This gives MSSL the flexibility to supply to its customers from various manufacturing locations using the best suited logistics model.

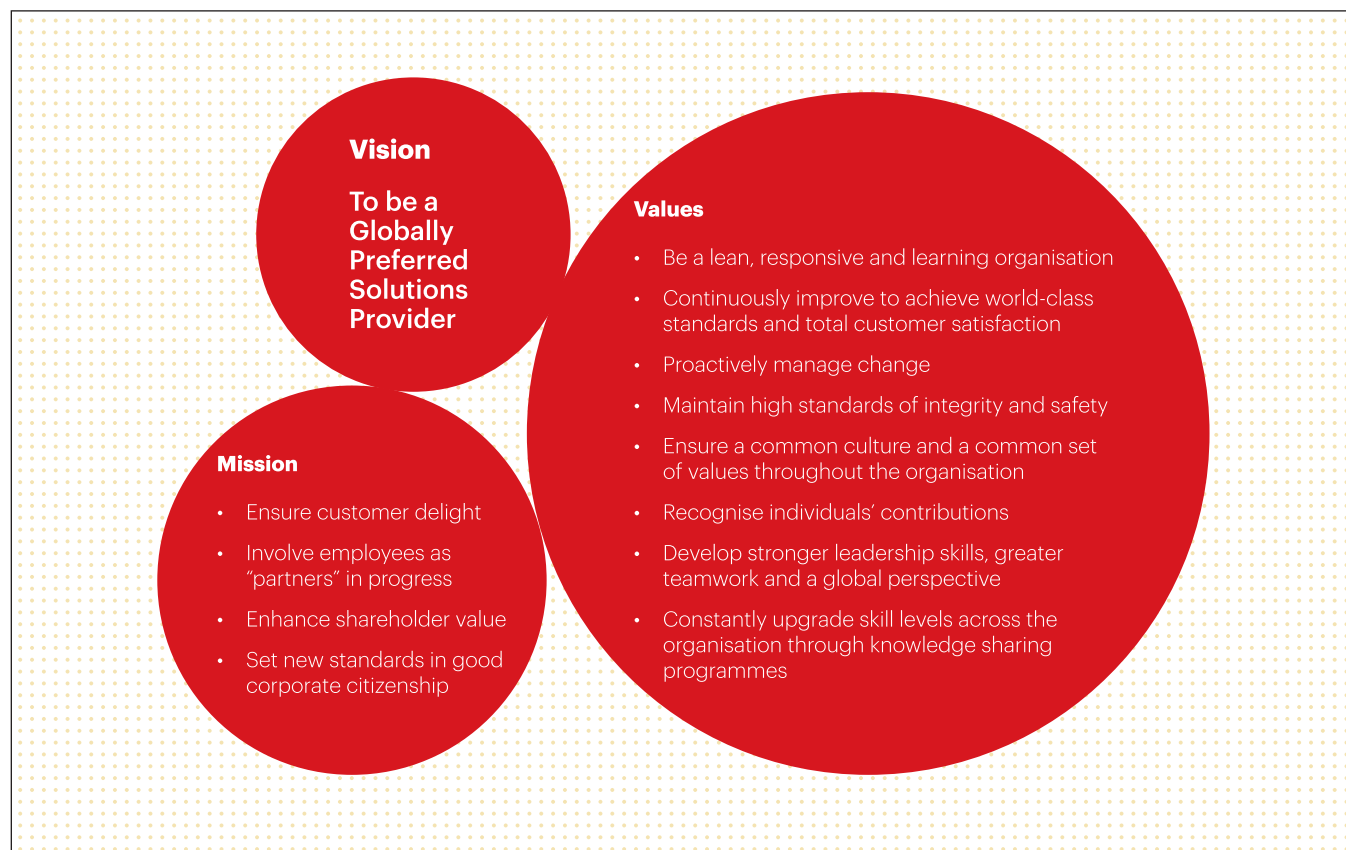
### Product range

The key product areas of MSSL are:

- Wiring harnesses
- Rear view mirrors
- Moulded plastic components
- Interior modules
- Exterior modules
- Elastomer components
- Vehicle air conditioning
- Vehicle electronics
- Injection moulding tools
- Precision metal machined components







### Our collaborative efforts

To serve the continuously evolving needs of our customers, MSSL has become a joint venture specialist. Our 14 joint venture partners help us enhance our capabilities, add more products and services to our portfolio, bring new technologies to our customers and strengthen our vertical integration. Through these collaborations, we are able to build synergies, diversify into new areas and also within product ranges, thereby augmenting our existing offerings, and increasing our content per car.

### Vertical integration and cross-selling

We are one of the most diversified groups in the automotive industry. MSSL has developed a high level of vertical integration in its key product categories thus enabling strong

capabilities. Through this vertical integration, we reduce risks from relying on third parties for critical inputs, generate quality improvement and cost control advantages, and shorten development and delivery time of our offerings to customers. Vertical integration allows us to deepen our relationships with customers by getting involved at every stage of the design, conception, development and production process of components and modules.

Achieving cost effectiveness is a crucial factor in the automotive business. Original equipment manufacturers (OEMs) mostly design and assemble cars without keeping an inventory of the parts in order to reduce their cost. Therefore, they increasingly rely on component makers for on-time delivery of zero-defect parts.

If a component maker delivers well in one situation, carmakers are open to relying on such a trusted partner in another situation or market also. MSSL serves its customers in areas of their requirement, hence, enabling “cross-selling” other products and services from within SMG. This approach gradually increases the content and value per car for MSSL and makes it a one-stop solution provider for its customers.

*“We are one of the most diversified groups in the automotive industry.”*

We are also working towards becoming more efficient through increased horizontal and vertical integration of our operations and products. We try and source raw materials and inputs from within Motherson wherever possible.



The average vehicle consists of thousands of parts: from wiring harnesses to mirrors and plastic components. MSSL delivers an increasing number of parts to car makers worldwide.



## Wiring Harnesses

One of the largest suppliers of wiring harnesses for 2-wheelers, earthmoving and material handling equipment in Europe.

Market leader in India with 65% market share in the passenger car segment.

## Mirrors

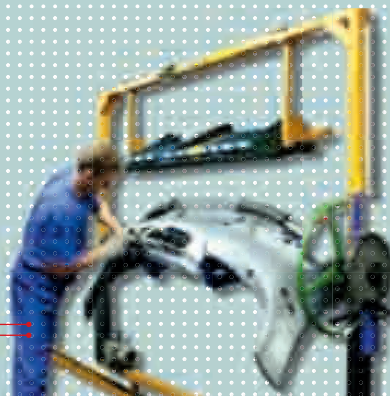
One of the world's largest manufacturers of automotive rear view mirrors for passenger cars

India's largest manufacturer of rear view mirrors for passenger cars and MUVs



## Polymers

One of the largest manufacturers of instrument panels, door trims and bumpers in Europe



India's largest manufacturer of automotive plastic moulded components and modules.

Proud to be part of the world's most admired brands.

## Wiring Harnesses.



MSSL is a leading supplier of wiring harnesses to all the major OEMs in India. We have a market share of more than 65% of the Indian passenger car segment\*.

Our wiring harness customer base spans the entire spectrum of vehicle types in the automotive industry, from passenger cars and MUVs to two-wheelers, trucks, tractors, farm equipment as well as earth moving and material handling equipment. MSSL also supplies wiring harnesses for a range of non-automotive products (e.g., elevators, copiers etc.) and medical systems. We are expanding globally in these segments.

MSSL has over 40 manufacturing facilities and 7 design centres for wiring harness manufacturing and support across India, UAE, Ireland, Sri Lanka, Italy, Japan, the United Kingdom, Mexico, Thailand and South Korea.

We are always ready to expand into other key markets where our global customers want us to support them.

MSSL has developed a high degree of vertical integration for key tools and inputs to its wiring harness production. Wires, connectors, terminals, fuse boxes, tubes, clamps and binders, grommets and seals, caps and sleeves, as well as high-precision injection moulding tools for wiring harness components etc. are produced within the company.

Such vertical integration in wiring harness production has led to competitive advantages for us. It helps us to better control the quality of the product, create better cost control, provide consistent just-in-time delivery to our customers and reduce the risk of relying on third parties for critical inputs.

The combination of vertical integration with design capabilities, infrastructure, technology, product range, customer service, and geographical proximity to our customers helps MSSL to further strengthen its position as a full system solutions provider for wiring harnesses.

Our customers recognise and award such performance through accolades and by demonstrating their trust through more orders. The wiring harness division of MSSL has received consistent appreciation and awards from its customers for its outstanding quality, cost, delivery, development, management, vendor performance and supply.

\*as assessed by the company.





A wiring harness is the cable assembly which transmits signals or electrical power and thus forms the nerve system of any modern car and commercial vehicle. A typical passenger vehicle contains more than 800 metres of wiring.



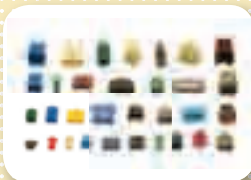
Wiring Harnesses



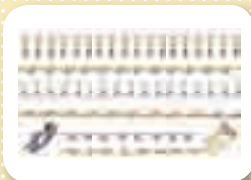
Junction Box



Wires



Connectors



Terminals



Fuse Box



Applicators & Jigs



Grommets



Binders



### Emerging scenario

Every vehicle needs a wiring harness. This makes fast-growing emerging markets attractive for growth and makes our strong position there even more valuable.

The prospects of the wiring harness segment are encouraging for several reasons. Increasing demand for more features and functionality in vehicles is a driving force for change in traditional electrical distribution systems. The continued digitisation of cars also means that wiring harnesses become even more vital and more complex. This provides MSSL with great opportunities for further expansion into the higher-value end of the wiring harness category.

### Global expansion

MSSL has expanded its facilities and has

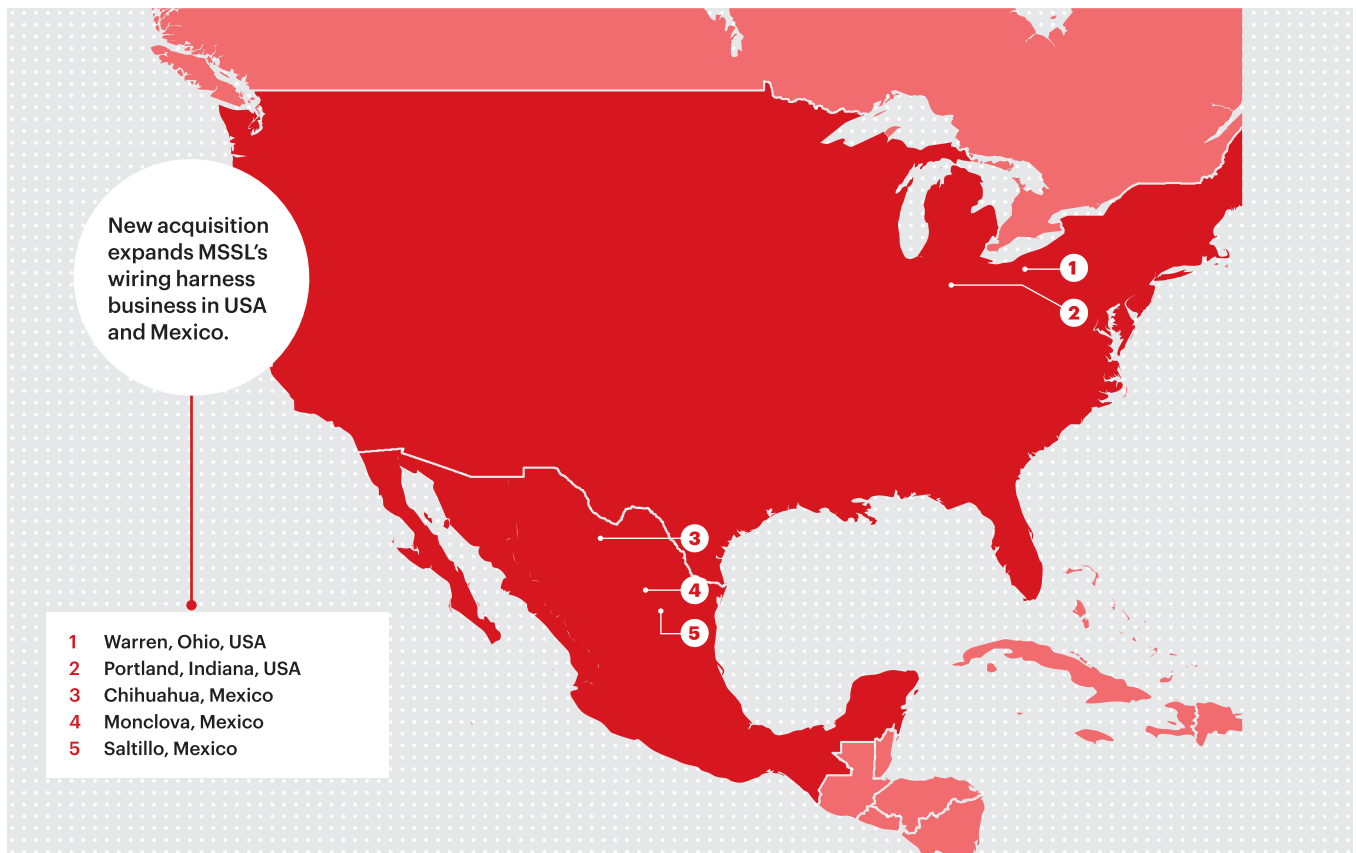
established new facilities in India and abroad in order to gain entry into new markets, expand product offerings and broaden its customer base globally. The new markets provide opportunities to explore new business relationships and additional growth prospects.

Within India, two new plants are now functioning at Noida and Pathredi. These have added to our production capacities to meet the increasing requirements of the domestic and export markets. Further, a new wire plant has been set up at Noida with a production capacity of 50,000 kilometres of wire per month for in-house requirements. Commercial production and supplies from this facility commenced last year.

A new facility is now fully functional in Mexico for manufacturing wiring harnesses to meet requirements within SMG. It supplies to non-

automotive customers in the Mexican and USA markets. With the aim of strengthening its footprint in the South East Asian market, a new facility now operates at Thailand to manufacture wiring harnesses for leading OEMs in the region.

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 systems.



### New initiative in North America

Motherson Sumi Systems Limited (MSSL) has signed an agreement to acquire the wiring harness business of Stoneridge Inc. through asset purchase.

The acquired business has a turnover of approx. USD 300 million. The transaction is valued at approximately USD 65.7 million. A 100% subsidiary is being set up for the acquisition.

This acquisition will allow MSSL to further strengthen its footprint in the American market by building upon the existing knowledge, technical expertise, and customer relationships that the acquired business has in this region.

The transaction includes six manufacturing facilities: one in Portland (Indiana, USA), three

in Chihuahua (Mexico), one in Saltillo (Mexico) and one in Monclova (Mexico) as well as an engineering and administrative centre located in Warren (Ohio, USA).

The acquired business has a history of 48 years of wiring harness manufacturing and is a well-established name in the markets it serves.

It supplies principally to the commercial vehicles, agricultural equipment, material handling equipment and off-highway vehicle segments.

This acquisition is expected to close in the July-September quarter of 2014, subject to customary closing conditions, including required regulatory approvals.



Wiring Harness



Dashboard



## Rear View Mirrors.



Rear view mirrors is a major product category for MSSL and we are a global Tier One supplier for this product. We supply rear view vision systems to almost all leading automobile OEMs. The mirror business of MSSL is carried out by its subsidiary Samvardhana Motherson Reflectec (SMR).

SMR enjoys a 22% share of global exterior mirror sales for passenger vehicles and represents a 30% share of the total business portfolio of MSSL.

With its strong position in both developed and emerging markets, SMR has a balanced global presence. This makes us more independent from the economic development trends in individual markets and more attractive for vehicle makers who want global partners with excellent market skills in all automotive production regions.

SMR is a specialist in developing and producing exterior mirrors and sensing systems for passenger cars, commercial vehicles and heavy trucks. We are experts in camera-based sensing systems too. We develop and produce a wide range of exterior mirrors, from manually adjusted mirrors to complex mirrors with integrated electronics such as camera-based detection systems, side turn indicator lamps and assist system signal lights. Our interior mirror business consists mainly of prismatic mirrors and mirrors with features such as integrated radio controlled toll collect systems.

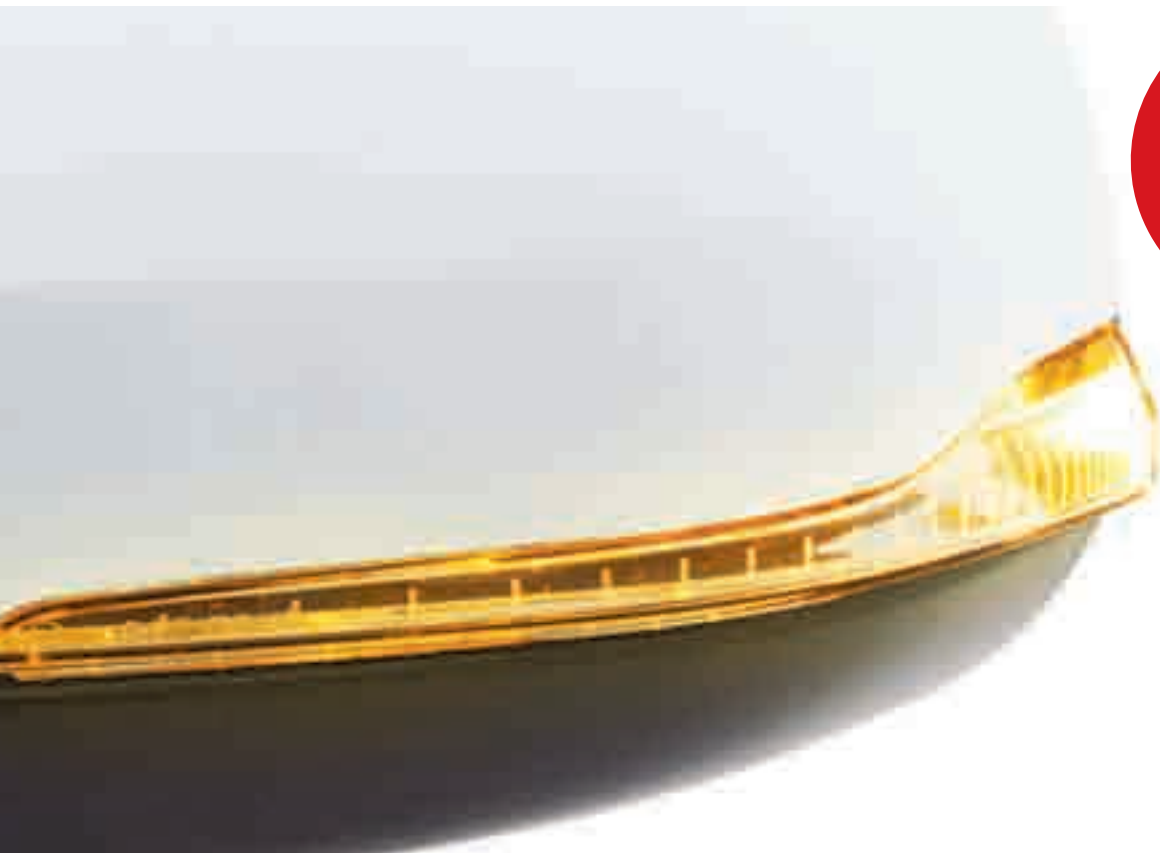
SMR also specialises in the processes used to build the sub-assemblies integrated into exterior mirrors such as light units, electric drive units, electronic modules and reflector modules. These processes include metallising, vibration welding, PCB population, glass processing, coating and many more.

SMR's Tier One position means that it maintains close ties and strong relationships with almost all of the world's large carmakers. This holds tremendous future potential to create more value for our clients by reaping the benefits of synergies with other MSSL and SMG companies.

### Foundations of growth

SMR's expertise in driver assistant systems makes it a frontrunner in its segment. Driver assistant systems are among the strongest growing market sectors in the automotive industry and are expected to comprise a significant part of the value of future automobiles. Camera based sensor systems can detect and classify objects, road marks, brightness conditions, signal lights, traffic signs and finally display images on screens. By detecting the vehicle's surroundings and providing





SMR's camera-based intelligent blind spot detection system is the only one of its kind in the world.

intelligently processed information to other vehicle integrated systems and the driver, these systems provide significant comfort and safety advantages.

SMR's new generation camera system is designed to be applicable for multiple driver assistant systems and manoeuvring display features.

Innovation, the use of latest technologies and a worldwide network of experts and production facilities ensure that SMR remains a leading supplier of exterior automotive mirrors in the world.

SMR has a sustained focus on research and development and has over 600 patents. We introduced the world's first exterior mirrors with integral turn signal lights, the first combined power telescopic and power folding mirror for light trucks and the only

camera-based blind spot detection system in the market featuring leading edge image processing technology.

SMR has also pioneered several other products, such as the first LIN-bus system in exterior mirrors, the first LED light guide style turn signal, the first side-looker LED turn signal, the first lamps in exterior mirrors to project logos on the ground, and the first injection moulded lightweight exterior mirror reflector.





Mr. Laksh Vaaman Sehgal, Vice-Chairman of Samvardhana Motherson Reflectec.

### Building capacities

SMR now has highly efficient and modern factories in the most attractive automotive industry regions, where more than 85% of global light vehicles are produced. With exports to the remaining 15% of the global market, SMR has a global market reach at a highly competitive level.

In 2013, SMR started preparations to double the production and painting capacities of its highly efficient operations in Michigan, USA by the end of 2014. As a first step, the company has established a new logistics centre close to its operations in Marysville and Port Huron. This provided space for expansion in Marysville and further improved material flow of SMR USA's operations.

SMR USA has received numerous high volume orders within the past two fiscal years which are expected to enable high utilisation of the additionally created capacities in Michigan and lift market shares in North America significantly within the next few years.

In China, SMR has continuously built a strong relationship with customers with 5 plants in operation today. Two modern plants in Langfang (Beijing region) and Yancheng started operations in 2013. They replace existing smaller assembly plants, providing significantly increased capacities as well as higher vertical integration. Another plant is currently under construction in Chongqing which will be equipped with modern injection moulding

and painting facilities. Start of production is planned for early 2015.

SMR is significantly expanding the Ningbo plant south of Shanghai and is planning to build a second modern painting facility to meet the significant increase in demand for exterior mirrors and other automotive products.

With new high volume orders from multiple international carmakers headquartered in America, Europe, South Korea, China and Japan for all Chinese plants in the past fiscal year, SMR has again exceeded its successes of the previous year. SMR expects to double production volumes and increase market share in China significantly within the next 3-4 years.



Exterior Mirrors



Exterior Mirrors



Interior Mirrors



Exterior Mirror



Camera-based Mirror



Logo Lamp



Telescopic Trailer Tow Mirror

## Polymers.



There is a growing trend in the industry towards higher quality integrated polymer modules being manufactured using plastic to upgrade quality and comfort standards. MSSL specialises in developing and manufacturing a wide range of these products for both vehicle exteriors as well as interiors. In this category too, we are a global Tier One supplier to multiple leading automobile OEMs, and the business contributes around 51% to MSSL's turnover.

Among the MSSL companies, Samvardhana Motherson Peguform (SMP), MSSL Global RSA (South Africa), Vacuform 2000 (pty) Ltd. (South Africa) and MSSL Advanced Polymers s.r.o. (Czech Republic) are the major overseas polymer companies while Motherson Automotive Technologies and Engineering (MATE) is focused on the Indian market.

Samvardhana Motherson Peguform (SMP)

was created jointly by MSSL and SMIL in 2011 through the acquisition of the erstwhile Peguform Group. SMP is an established global Tier One manufacturer of polymer-based automotive global modules specialising in high quality interior and exterior products for the automotive industry. The company is a full system solutions provider of exterior and interior modules, from design and concept development, product development simulation and 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

*"SMP is one of the largest suppliers of bumpers door panels and instrument panels in Europe."*

in all core product lines, it is one of the most preferred suppliers for carmakers 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.

In South Africa, MSSL's polymer division is represented by MSSL Global RSA Module Engineering Limited and Vacuform 2000

(pty) Ltd. It specialises in manufacturing moulded parts, thermo-formed products, polyurethane moulded products and blow moulded products, primarily for the

automotive industry. The position in South Africa has been consolidated by broadening the customer base and expanding operations





by setting up a new facility in Durban. The company expects to reap the full benefits of existing opportunities and future growth in the coming years.

MSSL's polymer division in India, Motherson Automotive Technologies Engineering (MATE), is continuously upgrading and expanding its facilities in line with increasing customer requirements. MATE manufactures a wide range of injection moulded components, assemblies, blow moulded components and integrated modules. MATE has 12 manufacturing facilities in India spread over Noida, Manesar, Tapukara, Pune, Bengaluru, Chennai and Puducherry. This division has established itself as a leading module supplier to the major car manufacturers in India. It is expected to continue to witness strong growth because of its expanding customer base and diversified product portfolio, which also caters to the commercial vehicles category now.

The polymer segment produces various exterior products such as front-end modules, bumper covers with numerous value additions such as crash beams, lighting systems, air coolers, air vents, washer nozzles, parking sensors, body side panels, door handles, roof systems and tailgates. The interior modules manufactured are instrument panels, fully assembled cockpits, centre consoles, door panels, covers and decorative trims etc.

#### Technology and synergy driven growth

The polymer vertical produces products for multiple market segments, providing solutions such as cost optimised moulding technologies, high quality leather surfaces, real stitching in polymer surfaces, soft painted and metallised surfaces. Expertise in multiple polymer processing technologies gives the optimal foundation to develop numerous innovative solutions to substitute metal

with lighter, cost effective and environment friendly polymers in the automotive industry. Apart from innovative technology and robust manufacturing infrastructure, the polymer division'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. The company's competence in these areas gives it a distinct competitive edge.

A broad portfolio of patents and unique technologies enable the cost-effective production of high quality components at SMP. With the unique PeguTrim® process, SMP can even produce plastic parts with three different surfaces, like fabric and decorative foils, in a single step. SMP's capabilities in production and assembly of highly complex and large modules as well as its extraordinary technological expertise in multiple polymer



and surface finishing enhances MSSL's position as a global full system solutions provider.

SMP has entered into a joint venture with the leather specialist Eissmann Automotive in Slovakia in 2014. This is an important step for SMP to secure a long-term strategic partnership in the area of leather covered surfaces. The JV supplies leather covered interior parts to several premium carmakers.

MSSL is pursuing operational synergies through horizontal and vertical integration of SMP's operations and products. SMP's business of interior and exterior products for the automotive industry is complementary to MSSL's other polymer processing businesses. SMP has an established international customer base and manufacturing locations around the world. Further, it gives MSSL 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. SMP is sourcing raw materials and inputs such as smaller plastic parts, IT-services, engineering services and tooling from other divisions of SMG. The objective is to expand the business significantly through improved quality and engineering capabilities coupled with a combined customer base and geographic footprint. The company also stands to benefit from this by combining the most skilled and cost competitive production and development resources within MSSL and SMG.

#### New developments

MSSL is now working to further expand its capacity in Europe, China, Brazil, Mexico and India to enhance support to customers in these geographies.

In Europe, SMP is setting up a facility at Schierling, Germany to manufacture plastic components to meet new orders received from several customers. New paint shops and other facilities are in operation at Oldenburg, Germany and Polinya, Spain to bring about improvements in operations, particularly in the paint shop. SMP Oldenburg is currently being equipped with a brand new painting facility which will start operations in 2014. SMP Boettingen is currently expanding production space and is installing a new facility for the production of interior systems based on natural fibre processing. The factory in Galanta, Slovakia, originally equipped for the production of interior door panels, has completed the installation of foaming, gluing, laminating, welding and JIS assembling capabilities in 2013, which has now also enabled the company to produce instrument panels for premium carmakers in the central European region.





Within South America, new moulding capabilities were also set up at Atibaia, Brazil. A new plant is also currently in operation at Puebla, Mexico to enhance moulding capabilities and consolidate the existing business, where commercial production and supply started last year. SMP has further started to build another greenfield plant in San Jose Chiapa, Mexico for the production of large scale automotive exterior parts.

SMP has been producing and supplying painted bumper covers and interior door panels to customers in northern China. Due to the strong increase in demands for high quality products across China, the company has established another factory in Foshan, southern China and is currently investing in the establishment of

another factory in Beijing. The plant in Beijing is scheduled to open in 2016 to produce modern door panels based on natural fibre reinforced structural components.

In India, MATE has completed its new facility and robotic paint shop at Ford Supplier Park, Chennai. A new robotic paint shop at Tapukara,

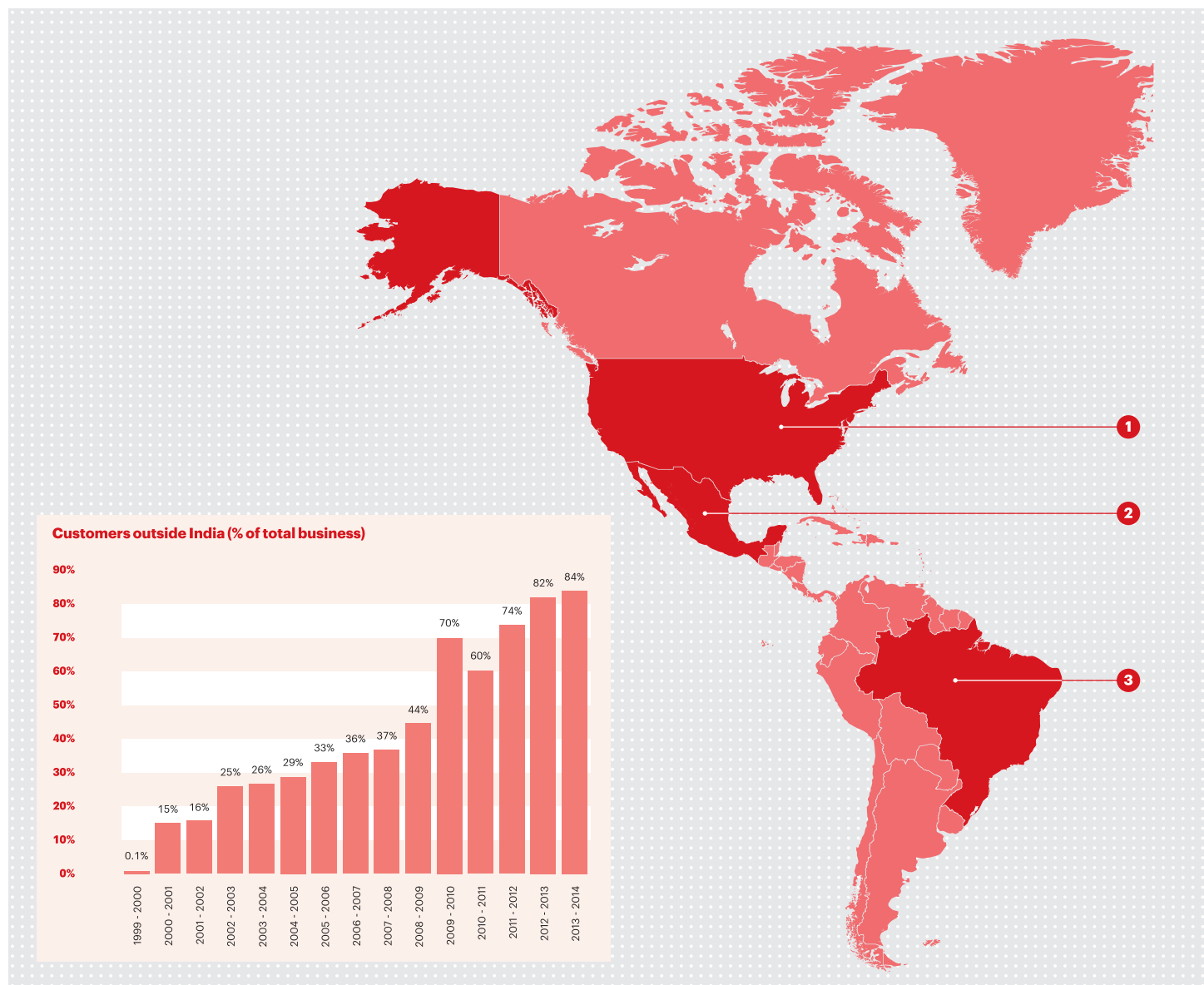
Rajasthan, India has been set up. It began commercial production and supply from the new facility to cater to new business from customers in the region. More recently, a new facility at Sanand, Gujarat has been set up to meet increasing

demand from customers. SMP is also setting up an engineering centre at Noida, India to provide technological support to expand its business.

*"MSSL is now working to further expand its base in Europe, China, Brazil, Mexico and India to support customers in these geographies."*



# Global Expansion Strategy.

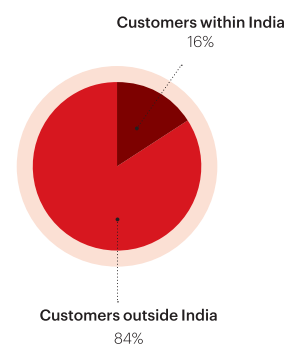


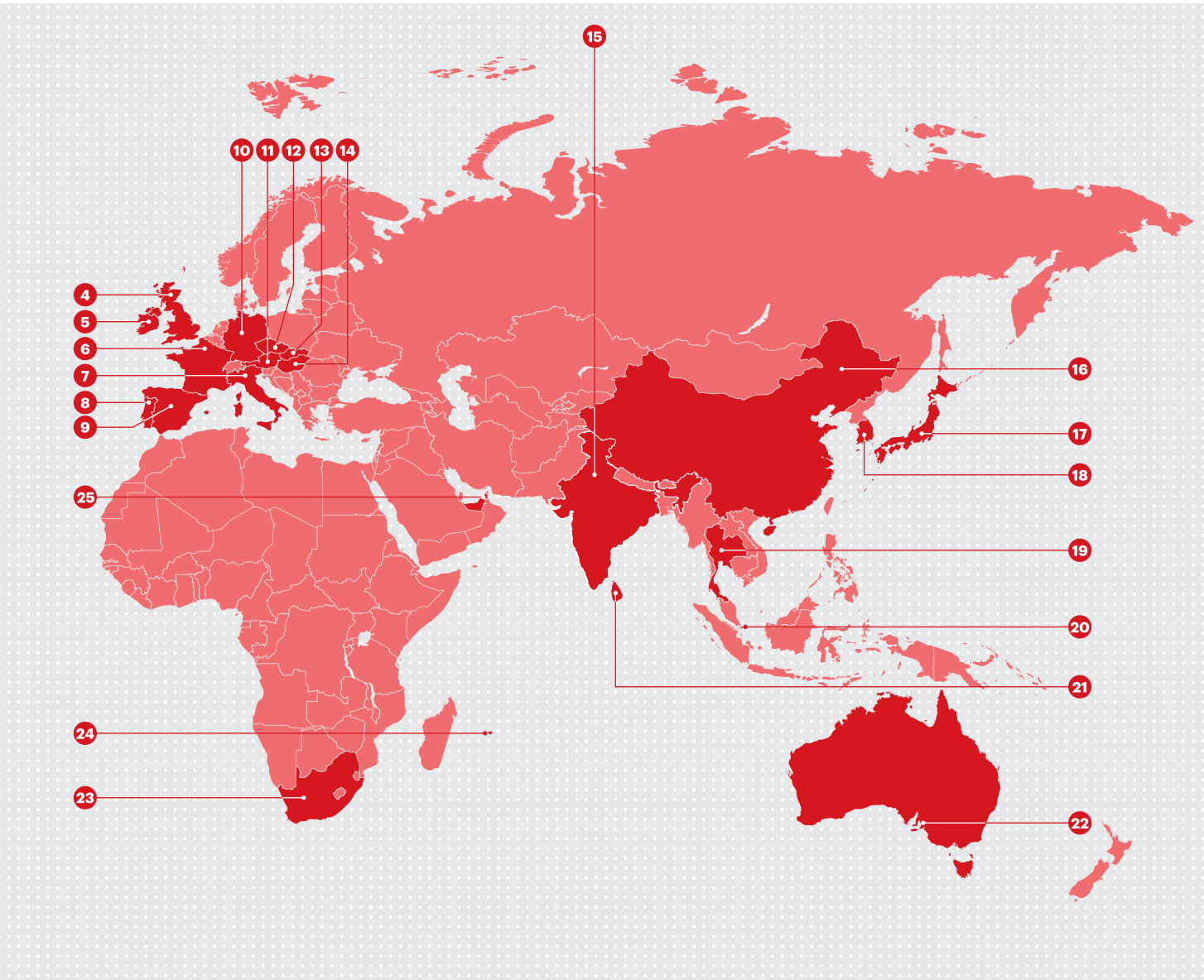
MSSL's global expansion has happened through customer-led growth, following them wherever they go. This has led to disciplined growth as well as many new opportunities for MSSL.

Our expansion has made us more attractive to automotive companies who need a reliable partner in all automotive industry regions. Customer-led globalisation therefore opens new opportunities to create value, also for other customers, beyond the initial orders that drove the expansion.

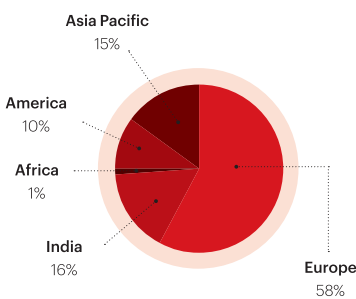
By thus spreading our activities across both developed and emerging markets, we have developed a more balanced business portfolio. It has made us less dependent on the economies of individual markets, which in turn has decreased business risks.

## Sales profile

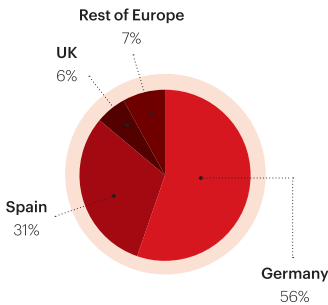




Region-wise sales profile



Sales profile in Europe



Global locations

- |            |                   |                 |
|------------|-------------------|-----------------|
| 1 USA      | 11 Austria        | 21 Sri Lanka    |
| 2 Mexico   | 12 Czech Republic | 22 Australia    |
| 3 Brazil   | 13 Slovakia       | 23 South Africa |
| 4 UK       | 14 Hungary        | 24 Mauritius    |
| 5 Ireland  | 15 India          | 25 UAE          |
| 6 France   | 16 China          |                 |
| 7 Italy    | 17 Japan          |                 |
| 8 Portugal | 18 South Korea    |                 |
| 9 Spain    | 19 Thailand       |                 |
| 10 Germany | 20 Singapore      |                 |

## Five-Year Plan Growth.

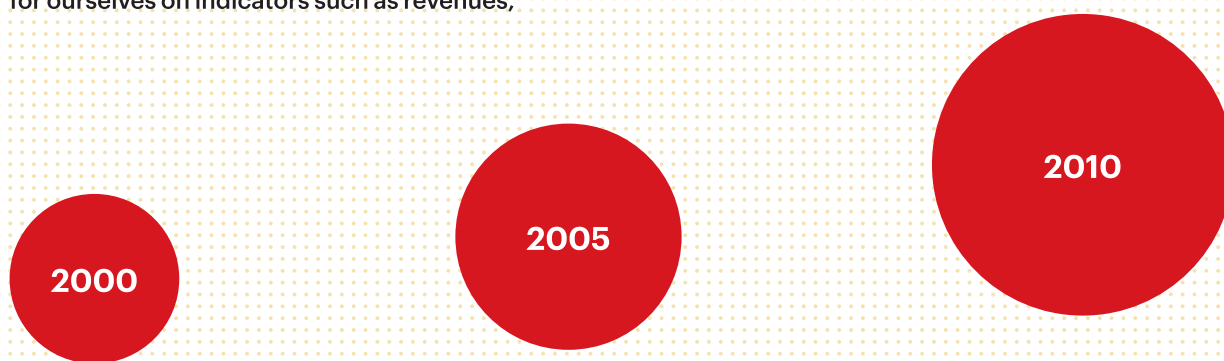
**The invention of the automobile changed our lives radically.** Today, the automotive world itself is changing.

Rapid technological change, the rise of more cost-sensitive emerging markets, urbanisation and environmental concerns are some of the trends affecting the industry.

To stay ahead, we formulate five-year targets for ourselves on indicators such as revenues,

international revenue share, single largest customer contribution, return on capital employed, and dividend payout ratio.

Next year, we will announce our targets for 2020. Until then, we are working hard on the final lap of our Vision 2015. And we are preparing ourselves for bigger challenges ahead.



MSSL adopted a five-year plan approach in 2000 because we believe that taking a long-term perspective is essential to reach our full potential.

Motherson is the life's work, the magnum opus, of the founders. The high degree of involvement of the promoters in defining our strategy and direction ensures that we are committed to all our stakeholders for the long run. We are proud to be part of the world's most admired car brands, and our work is a manifestation of our values.

The five-year plan approach reflects this. Long-term value creation, in our view, is the best way to measure our performance in a way that incorporates the interest of all our stakeholders.

One of the important features of our industry is the strong mutual investment needed

from both carmakers and component manufacturers to make state-of-the-art automobiles. This requires a high degree of trust, which is strengthened by taking a long-term perspective.

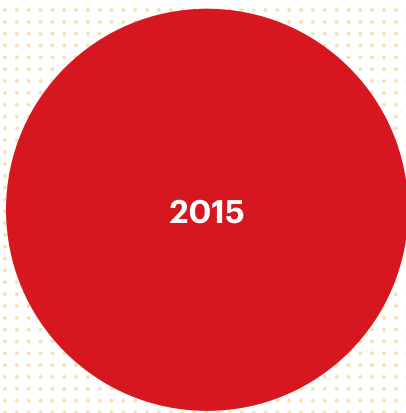
The lifecycle of the car platforms that most manufacturers make spans around seven years. Our commitments are therefore always for longer periods of time, and we must plan for this.

Taking a long-term perspective is also essential for us to properly embrace the rapid changes in our industry, which is one of the most engineered industries in the world. By looking beyond the next quarter and even beyond the fiscal year, we are able to align our plans with the long-term strategies of our customers. This has led to strong long-term growth and has reduced our risks at the same time. This has benefited all our stakeholders.

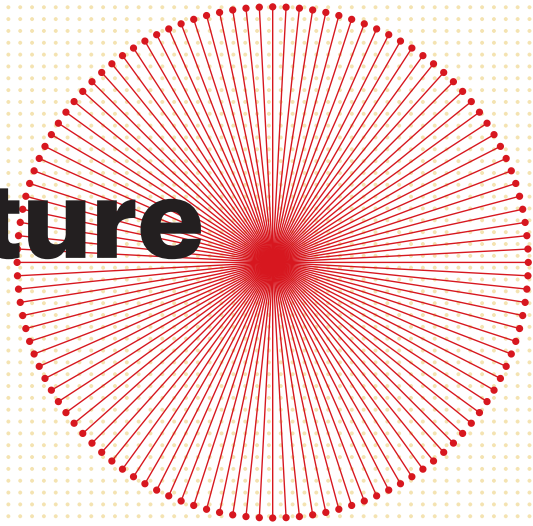
MSSL has always been fiercely oriented towards goals that stretch our abilities. We believe this to be vital to reach our potential. We set ourselves ambitious targets at the start of each five-year plan. This year we have already achieved most of the five-year targets that are due next year — one year ahead of schedule.

Next year, in 2015, we will announce our new five-year plan. In the best traditions of MSSL, it promises to be an ambitious new plan, setting even higher goals for growth and prosperity!

# Proud to be part of the future



2015



2020







# Proud to be part of.

## Stable value creation logic

Since we started in 1986, almost 30 years ago, we have grown and changed dramatically. What has always remained constant is the philosophy by which we create value for our customers, our partners, our employees and the communities we work in, and hence for our investors. Even during the 2013 fiscal year, which has been difficult for the automotive industry, we have continued our approach with great success. Our progress through this difficult phase makes us confident about the future.

## Value creation wheel

MSSL is focused on creating long-term value, based on a relatively simple logic. The chart (facing page) illustrates the process.

**Proud to be part of.** We believe that being

part of something beyond our own boundaries and creating value for others is one of life's most powerful motivators. It provides deep meaning to what we do. This motivation is at the heart of the long-term value creation process at MSSL.

At MSSL, we truly love the role we play in making automobiles: supporting the world's most admired car brands, helping them solve problems that have not yet been solved. Drivers may not see us, but when they sense that their car is made by people who really care, they sense our presence. And that is good enough for us. We are proud to be part of all the legendary brands we work with.

Similarly, as employees we are proud to be part of MSSL. Many of the people who were there at the start are still with us today. We are equally proud to be part of the communities we work in around the world.

We try to contribute to them and strengthen the vibrancy and wellbeing of the societies we work in. We are proud to be part of the ever-growing prosperity of our investors. In 1993, MSSL was listed on the stock exchange. Ever since, we have focused on giving good returns to shareholders, we continue to value the trust they place in us.

**Performance.** This love for what we do propels us to do it extremely well. Our clients need to rely on us for outstanding performance across a broad range of parameters.

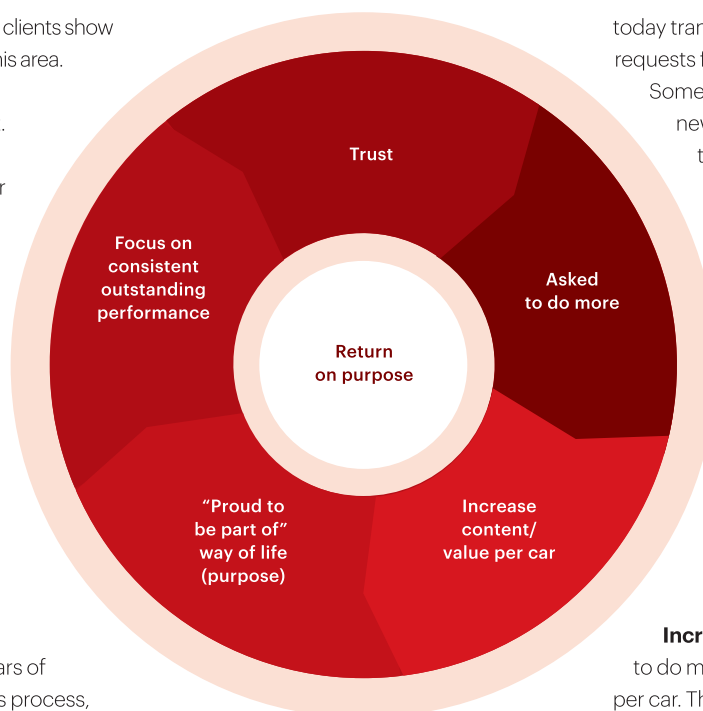
To ensure excellence, we have implemented Quality Circles and Kaizen (continuous improvement) processes across our company. MSSL organises a yearly internal competition of its units, monitored by external quality experts, to honour the best and most constructive internal improvement projects. The many



awards we have received from our clients show that they recognise our efforts in this area.

**Trust.** Performance leads to trust. There are few things more important in business, and harder to measure, than trust. Given the large investments required by both carmakers and component manufacturers like MSSL, trust is one of the most critical elements of success in the automotive industry. It is built not over months or by just talking; it is built over years through consistently reliable performance.

**Being asked to do more.** The trust we have earned through years of consistent hard work through this process,



today translates into many new business requests from our existing and new clients.

Sometimes we are asked to supply a new part. Sometimes we are asked to build an entire plant in a new country or market. In other cases, customers ask us to take over and turn around a supplier that is in trouble. Whichever the approach, our trust is leveraged to benefit us as well as our customers. It generates customer-led growth for MSSL, exposing us to higher value and fast-expanding markets. We believe this kind of growth is most sustainable in the long run.

**Increase content per car.** Being asked to do more increases our content and value per car. This generates new opportunities to



work with customers on new products or new platforms. Such growth strengthens our ability to be part of the world's most admired car brands in new ways. As a result, the value creation process is an on-going cycle. "Proud to be part of" thus captures the culture at MSSL, our way of life. It summarises the long-term value creation approach we follow. It reflects our belief that the long-term success of a company lies not just in its physical assets but also in its intangible assets.

### **Growth and de-risking go hand-in-hand**

MSSL is expanding rapidly to meet the growing requirements of its global customers. We expand through organic growth in our existing business, acquisitions (usually at the request of our customers), and through organic growth of our acquisitions. Our strategy is to grow in ways that decrease our business risk, to keep our growth sustainable.

Our broadening position in both mature and emerging markets decreases the risk in our business portfolio and makes us more independent of the economic development trends in individual markets. Moreover, it makes us more attractive to carmakers who prefer reliable global partners in all automotive industry regions.

We have also gradually gained expertise in every step of the process of creating our diverse offerings — from design to assembly — so that we can serve the full spectrum of our customer's needs.

### **Proud to be part of the community**

We contribute to the social wellbeing of the communities that host our plants and facilities and undertake non-automotive research to benefit communities and individuals. Some of these efforts are initiatives such as the

Aerobin and the Re-Timer, which are patented technologies.

Aerobin is a waste recycling system that converts household and garden (organic) waste into compost through its unique aeration design, without chemicals or electricity. It is being adopted by communities worldwide to produce compost and reduce waste going into landfills.

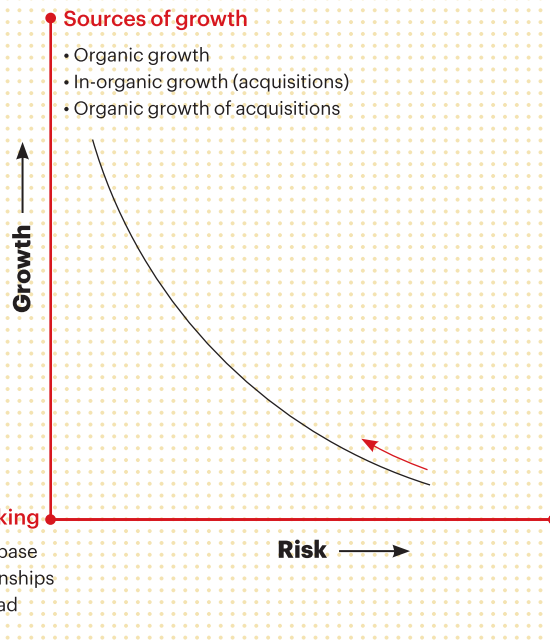
The Re-Timer is manufactured by SMR Australia's non-automotive division SMR Technologies in a new clean-room precinct. The device, worn like a pair of glasses, is engineered to mimic the benefits of sunlight by emitting a soft green light into the eyes at a level scientifically proven to 're-time' the body clock to help the user control their sleep and waking times, especially to fight jetlag. It has been developed through 25 years of university research by leading sleep psychologists.



## Growth strategy to reduce business risk.

**MSSL has grown at a very healthy pace over the last decades. We have been fortunate enough to experience organic growth as well as in-organic growth through acquisitions.**

**And over and above that, we have seen organic growth from our acquisitions.**



**This very growth has decreased our business risk.**

**More trusted customer relationships, geographies and types of products have meant more diversification for us.**

**This has amplified our value creation, and will continue to do so in the future.**

We conduct community development programmes to contribute towards and fund education, healthcare and environment conservation initiatives. We hold donation drives and assist with disaster relief, funding for old age homes and orphanages, and supporting medical research. And finally, we regularly hold blood donation camps and contribute to various organisations.



# Customer Recognition.

## Maruti Suzuki.



Overall Performance Gold  
(Wiring Harness)



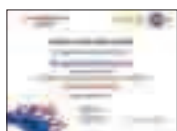
Consistent High Quality Award  
Shield (Wiring Harness)



System Audit Shield  
(Wiring Harness)



Nagare Schedule Adherence  
Shield (Wiring Harness)



Focused Cost Down  
(Wiring Harness)



Inner Part Localization Shield  
(Wiring Harness)



Certificate of Appreciation  
in Safety (Polymer)



Manufacturing Excellence  
(HVAC Systems)

## Honda Cars.



Spare Parts Gold Award  
(Wiring Harness)



Best Support in New Model  
Development (Polymer)



Quality Circle Competition  
Winner (Wiring Harness)  
From Honda Cars Suppliers Club



Best Kaizen  
(Polymer)  
From Honda Cars Suppliers Club

## Toyota.



Supplier of The Year Gold  
Award (Polymer)



Zero PPM  
(Rearview Mirror)



Zero PPM  
(Wiring Harness)



Outstanding Project  
Management (Polymer)

## Hyundai.



Overall Best Performance Award  
(Wiring Harness)



Value Engineering Award  
(Polymer)

## Volkswagen.



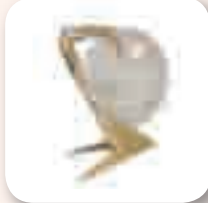
Best Quality Performance  
(Polymer)



Localization Award  
(Polymer)



### General Motors.



Supplier of the Year  
(Polymer)



Gold Award for Customer  
Care & Aftersales  
(Rearview Mirror)



Best Practices Recognition  
(Rearview Mirror)

### Renault-Nissan.



Significant Improvement  
in the Customer Indicators  
(Rearview Mirror)

### TATA Motors.



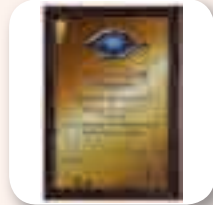
Best Supplier Award  
(Polymer)



Best Supplier Award  
(Wiring Harness)



Most Improved Vendor Quality  
(Wiring Harness)



Special Citation  
(Wiring Harness)

### Mahindra.



Best Quality Performance  
(Wiring Harness)

### Volvo.



Volvo Quality Award  
(Rearview Mirror)

### JCB.



Q.C.I.D.M. Supplier Performance  
Award (Wiring Harness)

### Caterpillar.



Outstanding Performance  
on Quality, Velocity & NPI  
Developments (Wiring Harness)

### Eicher.



Best Supplier Award  
(Wiring Harness)

### John Deere.



Achieving Excellence in  
Recognition of Partner - Level  
Performance (Wiring Harness)



New Product Development  
(Wiring Harness)

Proud to be  
Part of  
the world's  
most  
admired  
brands.

**Hyundai-Mobis.**

National Top Performer for  
Service Parts Supply  
(Wiring Harness)



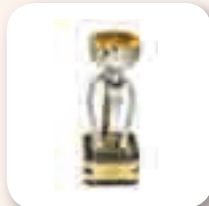
Good Partner  
(Rearview Mirror)

**LEAR.**

Best Supplier Award  
(Polymer)

**Sumitomo Wiring Systems.**

Outstanding & Dedicated  
Social Contribution Activities  
(Wiring Harness)



Quality Improvement Award  
(Polymer)

**SALCOMP.**

Best Supplier Award on  
Overall Performance  
(Polymer)

**Government, Trade Bodies and Associations.**

KZN Mayoral Award for Excellence  
in the Big Business Category  
South Africa  
(Polymer)



National Business Award  
South Africa  
(Polymer)



Special Congressional  
Recognition, USA  
(Rearview Mirror)



AKJ Automotive elog@istics  
Award (Rearview Mirror)



Central Eastern European Logistics  
and Supply Chain Management  
Excellence Award (Rearview Mirror)



Hungarian Logistics  
Excellence Award  
(Rearview Mirror)



FICCI Certificate of Appreciation  
for Good Practices in Quality  
Systems (Wiring Harness)

# Management Discussions And Analysis

## Overview

MSSL is a leading global Tier 1 supplier of rear view vision systems, interior and exterior modules and wiring harness. The Company has established "strategic supplier partner" relationships with all major global OEMs with its commitment to provide quality products and services in time.

The Company is always focused on doing strategic investments aimed to achieve its long term vision. Key elements of this strategy include continuous profitable growth in order to maintain a healthy balance sheet with investment grade credit metrics and increasing return to shareholders.

MSSL achieved its 2014-15 revenue target of US\$ 5 billion, one year in advance of its Vision 2015 with operating margin significantly better than previous year(s) in volatile and difficult market conditions.

The Company continues to report sharp improvement in operating performance driven by its strategy of increasing content per car, global footprint with strong in-house R&D center and improvement in utilization levels. The consistent growth across all divisions and product line even in current sluggish market is due to strong global presence, diversified product portfolio and trust built by the Company among its customers which will further create opportunity on revival of market conditions.

## Highlights

The Company reports highest ever revenues and earnings for the year both on Consolidated as well on standalone basis.

Some of the major accomplishments during 2013-14 are as follows:

- ❖ The Company achieved its target of consolidated revenues of US\$ 5 billion for the year 2013-14, one year ahead of Vision 2015.
- ❖ Consolidated sales up by 20% and standalone sales up by 5%.
- ❖ Exports from India up by 21%.
- ❖ Growth in our operational EBITDA margin magnifies the impact of operational improvements and revenue growth on the profitability of our business. Profit before Interest Depreciation and Tax (PBITD) has substantially increased by 50% on consolidated basis and 16% on standalone basis.
- ❖ Driven by continuous operational improvement across all business units, consolidated operating margins for the Company have improved significantly. Profit before Tax (PBT) registered strong growth of 84% on consolidated basis and 20% on standalone basis.
- ❖ Profit after Tax (PAT) has significantly improved by 72% on consolidated basis and 14% on standalone basis.
- ❖ The Company has improved Return on capital employed (ROCE) from 18% (2012-13) to 26% in financial year 2013-14.
- ❖ Significant improvements at SMR and SMP:
  - Samvardhana Motherson Reflectec SMR has delivered strong results, recorded substantial improvement in profitability along with highest ever annual sales of

₹ 90,690 million (Euro 1,119 million). SMR has delivered strong growth in EBITDA by 93% at ₹ 8,698 million (Euro 107 million), PBT by 180% at ₹ 5,960 million (Euro 74 million) and PAT by 311% at ₹ 2,167 million (Euro 27 million).

- Samvardhana Motherson Peguform (SMP) has achieved turnover of Euro 1.9 billion with substantial improvement in EBITDA by 76% at ₹ 8,466 million (Euro 104 million) and PBT by 1412% at ₹ 2,720 million (Euro 34 million).

Growth and improvement in performance at SMR and SMP is achieved through various measures including operational improvements, enhanced relationship with the OEM's, servicing of new orders won post acquisition.

- ❖ MSSL continues to deliver progressive returns to the shareholders, dividend of ₹ 2.5 per share on the enhanced equity which is increased with allotment of bonus shares consecutively for the second year in the proportion of 1:2 to celebrate 20 years of Listing. The total dividend outgo including tax thereon represents healthy dividend payout ratio of 34% (Previous year 31%) of the consolidated profits after tax.
- ❖ MSSL is achieving synergies through horizontal and vertical integration, supplied Wiring Harnesses of ₹ 3,466 million (Previous year ₹ 2,248 million) and other component of ₹ 787 million (Previous year ₹ 669 million) to SMR and other polymer component of ₹ 366 million (Previous year ₹ 113 million) to SMP during 2013-14. These revenues are netted at the consolidated sales.
- ❖ This year the company has incurred significant capital expenditures in expanding its footprint and enhancing existing capacities, amount capitalized (on consolidated basis) of ₹ 13,517 million:
  - Mirror Division (SMR) has started commercial production and supplies from new facilities and additional capacities in Langfang (China), Yancheng (China), Mexico, Spain and Korea for mirror manufacturing and vertical integration. Further construction of new plants and expansion is in progress at USA, China, India, Thailand and France.
  - Polymer Division has set up new interior/exterior plant in Foshan (China), Durban (South Africa), Tapukara (Rajasthan) and Chennai, the ramp up of commercial production and supplies at Tapukara and Chennai have started during the year whereas at Foshan and Durban ramp up will be during 2014-15. SMP has also incurred major capital expenditure at Oldenburg (Germany) for enhancing paint shop capabilities and improvements to bring operational efficiencies. Also construction of new plants and expansion is in progress at Schierling (Germany), Bötzingen (Germany), Polinya (Spain) and Sanand (India).
  - Wiring Harness Division expanded its capacity at existing facilities in Noida, Chennai, and Bangalore. The ramp up of commercial production and supplies at Mexico and Thailand facility has started during the year.

## INDIAN VEHICLE & COMPONENT MARKET

Changing economic and business conditions, evolving consumer preferences, rapid technological innovation and adoption and globalization are creating an increasingly competitive market environment that is driving corporations to transform the manner in which they operate.

The domestic market continued to be challenging for the automotive industry and for the year witnessed a distinct slowdown/negative growth. The demand was restrained by higher interest rates, inflation, fuel prices, volatile commodity market, industrial unrest and adverse forex fluctuations.

*Figures in thousand*

Segment	2013-14	2012-13	2011-12
Passenger Vehicle			
Numbers	3,072	3,241	3,124
Growth Rate	-5%	4%	5%
<b>Commercial Vehicle</b>			
Numbers	699	873	912
Growth rate	-20%	-4%	21%
<b>Two Wheelers</b>			
Numbers	16,880	15,759	15,454
Growth Rate	7%	2%	16%

Source: ACMA Report

With the new Government at the center having clear majority, focusing on policy decisions, inflation control and commitment towards industrial and infrastructure development, customer sentiments are expected to improve in the country in medium to long term and stimulate the demand for the Auto industry.

## GLOBAL CAR PRODUCTION

Vehicle Production: Region (in numbers)	2013-14	2012-13
Europe	19,612,359	18,792,196
North America	16,404,893	15,433,508
South America	4,383,643	4,362,470
Asia (including India)	43,261,973	41,032,544
<b>Grand Total</b>	<b>83,662,868</b>	<b>79,620,718</b>

The global production of passenger cars and commercial vehicles has increased by 5.1% in 2013-14. There is moderate growth in automotive production in Europe, North America and Asia excluding India.

### Segment performance - Automotive / Non Automotive

The Company predominantly operates in manufacturing of automotive products and also manufactures non-automotive products. Hence the operations of the company have been classified as Automotive and Non-Automotive.

The following tables and charts show business progress with respect to segment disclosure during 2013-14:

*₹ in Million*

Consolidated	2013-14		2012-13	Growth
	%	Amount	Amount	%
Automotive	98%	297,865	246,098	21%
Non-Automotive	2%	5,715	6,155	-7%
<b>Total</b>		<b>303,580</b>	<b>252,253</b>	<b>20%</b>

*₹ in Million*

Standalone	2013-14		2012-13	Growth
	%	Amount	Amount	%
Automotive	93%	41,689	39,083	7%
Non-Automotive	7%	3,049	3,330	-8%
<b>Total</b>		<b>44,738</b>	<b>42,413</b>	<b>5%</b>

The Company's automotive segment is a supplier of 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. In automotive segment the company supplies to all the leading automobile manufacturers globally.

The participation of automotive segment in the Company's revenue has improved to 93% from 92% on standalone basis and on consolidated basis it remains identical at 98% in 2013-14. The growth in the automotive segment has contributed to considerable increase in sales by 20% on consolidated basis and 5% 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. The company offers variety of products like 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.

The Non automotive business witnessed marginal decline in revenues on account of variation in demand for Company's products, this segment will get benefited with the recent acquisition of wiring harness business which also has presence into agricultural equipment, material handling equipment and off-road vehicles.



## Sales Performance

MSSL has outperformed the market growth at both domestic and global front. The consolidated sales rose by 20% to the remarkable level of ₹ 304 billion (equivalent to USD 5 billion approx.) whereas standalone sales registered a growth of 5% at ₹ 45 billion.

On geographical ground sales performance of the Company during the year 2013-14 on consolidated and standalone basis are as follows:

₹ in Million

Consolidated	2013-14		2012-13	Growth
	%	Amount	Amount	%
Customers within India	16%	47,275	45,672	4%
Customers outside India	84%	256,305	206,581	24%
<b>Total</b>		<b>303,580</b>	<b>252,253</b>	<b>20%</b>

₹ in Million

Standalone	2013-14		2012-13	Growth
	%	Amount	Amount	%
Customers within India	84%	37,700	36,616	3%
Customers outside India	16%	7,038	5,797	21%
<b>Total</b>		<b>44,738</b>	<b>42,413</b>	<b>5%</b>

The Company is continuously exploring new market opportunity, expanding its global footprint and strengthening its position in the region where it is already present by adding new customer and increasing content per car to accelerate organic and inorganic growth.

MSSL has substantially expanded its customer base globally and further emphasize its affiliation with existing customers. The Company has presence in 25 countries and conducts its operations from over 135 manufacturing facilities supported by technical centers located globally.

The Company's sale to customer outside India has taken a modest jump with healthy growth in exports from India as well as contribution from facilities outside India, Sales grew by 24% on consolidated basis while on standalone basis grew by 21%.

On the domestic front, the company's growth is 4% on consolidated basis and 3% on standalone basis despite continuing volatile and depressed market conditions in the Indian automotive market in 2013-14.

MSSL has established itself as a preferred supplier among OEMs with its commitment to keep improving on QCDDMSES (quality, cost, delivery, development, management, safety, environment and sustainability). The ability to provide end to end solutions, from global manufacturing capabilities and competitive footprint to core expertise in all aspects of design, research, engineering and development has been the driving force behind the growth of the Company.

## FINANCIAL REVIEW

MSSL continues its track record of outperforming the market and delivering strong growth in revenues and profitability. The consolidated financial performance is impressive in terms of profitability with strong growth in profitability of SMR and further improvement in operational efficiencies at SMP.

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

### Consolidated:

₹ in Million

Financial Position	2013-14	2012-13	% change
Net Fixed Assets	65,660	56,629	16%
Other Assets:			
- Inventory	32,822	26,036	26%
- Trade Receivables	32,384	29,400	10%
- Cash & Bank Balance	9,061	5,944	52%
- Other Assets	13,696	10,266	33%
<b>Total Assets</b>	<b>153,623</b>	<b>128,275</b>	<b>20%</b>
Liabilities (other than Loans)	67,737	52,320	29%
<b>Net Assets</b>	<b>85,886</b>	<b>75,955</b>	<b>13%</b>
<b>Source of Funding:</b>			
Net Worth	26,615	19,912	34%
Reserve on Amalgamation and Consolidation	2,978	2,978	-
Minority Interest	7,896	4,025	96%
	<b>37,489</b>	<b>26,915</b>	<b>39%</b>
<b>Loans Outstanding:</b>			
- Payable within one year	8,452	8,328	1%
- Short Term Loans	10,111	13,553	-25%
- Long Term Loans	29,834	27,159	10%
<b>Total Loans</b>	<b>48,397</b>	<b>49,040</b>	<b>-1%</b>
Loans (net of cash and bank balances)	39,336	43,096	-9%
<b>Capital Expenditure (Net of disposals)</b>	<b>13,517</b>	<b>10,895</b>	<b>24%</b>

₹ in Million

Results	2013-14	2012-13	% change
Sales	303,580	252,253	20%
Other Operating Income	3,631	3,917	-7%
Cost of Goods Sold	193,615	164,838	17%
Employee Cost	51,065	42,827	19%
Other Expenses	33,853	29,413	15%
<b>PBIDT (*)</b>	<b>28,678</b>	<b>19,092</b>	<b>50%</b>
Exchange Fluctuation Loss / (Gain) on Long Term Loans	1,777	1,279	39%
<b>PBT</b>	<b>15,960</b>	<b>8,350</b>	<b>91%</b>
PAT	10,965	4,516	143%
<b>Concern Share after adjusting Minority Interest</b>	<b>7,650</b>	<b>4,445</b>	<b>72%</b>
<b>EPS - Diluted (Rs)#</b>	<b>8.67</b>	<b>5.04</b>	<b>72%</b>

\*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 2013-14, in the proportion of 1 share for every two shares held.

During the year under review, the Company's consolidated sales hit a new record level of ₹ 303,580 million in comparison to the previous year sales of ₹ 252,253 million.

The major raw materials required by Polymer Division of the Company are polypropylenes, polycarbonates, ABS and various grades of nylons and resins. Finished products incorporate 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 main inputs for the company's mirror business are glass actuators, power folds, glass, electro-chromatic glass ("EC glass"), wiring harnesses, electronics, electrical parts, die casting, plastic parts and resins. The key raw material for the company's wiring harness business is copper.

Employee cost on aggregate comprises 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 19% in 2013-14 in line with increase in revenue and strengthening the organization structure for projected growth.

Profit before Interest Depreciation and Tax (PBITD) substantially increased by 50% at ₹ 28,678 million from ₹ 19,092 million during 2013-14. The Company has reported strong profitability on account of significant improvements at SMR and SMP.

Profit before Tax (PBT) substantially increased by 91% at ₹ 15,960 million from ₹ 8,350 million during previous year. Profit after Tax (PAT) concern share significantly improved by 72% at ₹ 7,650 million as against ₹ 4,445 million during the previous year.

During the year, the company incurred exchange fluctuation loss of ₹ 1,777 million on account of long term loans including mark to the market (Previous year exchange loss of ₹ 1,279 million).

During the year the Company incurred capital expenditure amounted to ₹ 13,517 million (Previous Year ₹ 10,895 million), which is funded from internal accruals.

The Company monitors its net working capital regularly and able to maintain it adequately even with the increasing scale of operations. In terms of days, net working capital employed as on March 31, 2014 is of 24 days (28 days as on March 31, 2013).

Loans (net of cash and bank balances) have reduced by ₹ 3,760 million inspite of major borrowings in foreign currencies and have negative impact of weakening of Rupee.

#### Standalone:

₹ in Million

Financial Position	2013-14	2012-13	% change
Net Fixed Assets	14,863	15,057	-1%
Other Assets:			
- Inventory	5,628	5,420	4%
- Trade Receivables	5,754	5,464	5%
- Cash & Bank Balance	191	658	-71%
- Investments	5,821	5,132	13%
- Other Assets	4,387	2,673	64%
<b>Total Assets</b>	<b>36,644</b>	<b>34,404</b>	<b>6%</b>

Financial Position	2013-14	2012-13	% change
Liabilities (other than Loans)	10,010	8,891	13%
<b>Net Assets</b>	<b>26,634</b>	<b>25,513</b>	<b>4%</b>
<b>Source of Funding:</b>			
Net Worth	17,393	14,577	19%
Reserve on Amalgamation and Consolidation	1,663	1,663	-
	<b>19,056</b>	<b>16,240</b>	<b>17%</b>
<b>Loans Outstanding:</b>			
- Payable within one year	1,400	915	53%
- Short Term Loans	1,957	3,263	-40%
- Long Term Loans	4,221	5,095	-17%
Total Loans	7,578	9,273	-18%
Loans (net of cash and bank balances)	7,387	8,615	-14%
<b>Capital Expenditure (Net of disposals)</b>	<b>1,455</b>	<b>3,089</b>	<b>-53%</b>

₹ in Million

Results	2013-14	2012-13	% change
Sales	44,738	42,413	5%
Other Operating Income	770	804	-4%
Cost of Goods Sold	25,142	25,296	-1%
Staff Cost	4,976	4,393	13%
Other Expenses	6,105	5,491	11%
<b>PBITD (*)</b>	<b>9,285</b>	<b>8,037</b>	<b>16%</b>
Exchange Fluctuation Loss/(Gain) on Long Term Loans	576	290	99%
<b>PBT</b>	<b>7,584</b>	<b>6,497</b>	<b>17%</b>
PAT	5,351	4,696	14%
<b>EPS – Diluted (Rs)#</b>	<b>6.1</b>	<b>5.3</b>	<b>15%</b>

\*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 2013-14, in the proportion of 1 share for every two shares held.

During the year, the company standalone revenue grew by 5% to ₹ 44,738 million.

PBITD registered growth of 16%, increased to ₹ 9,285 million from ₹ 8,037 million during previous year.

PBT amounted to ₹ 7,584 million, up from ₹ 6,497 million during previous year, recording growth of 17%.

## CASH FLOW

The following tables sets forth consolidated and standalone cash flow information for current and previous years.

₹ in Million

Consolidated Cash Flow	2013-14	2012-13
Operating profit before working capital changes	30,144	19,541
Change in working Capital	2,403	(1,019)
<b>Operating profit after working capital changes</b>	<b>32,547</b>	<b>18,522</b>
Taxes paid	(5,597)	(3,662)
<b>Cash flow from operating activities</b>	<b>26,950</b>	<b>14,860</b>
Capital Expenditure (Net of sales)	(13,517)	(10,895)
Cash flow from other investing activities	(206)	105
<b>Cash flow from Investing activities</b>	<b>(13,723)</b>	<b>(10,790)</b>
Cash flow from financing activities	(10,801)	(2,558)
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>2,426</b>	<b>1,512</b>
Net Cash and Cash equivalents at the beginning of the year	5,845	4,429
<b>Cash and cash equivalents as at current year closing</b>	<b>8,271</b>	<b>5,941</b>

₹ in Million

Standalone Cash flow	2013-14	2012-13
Operating profit before working capital changes	9,186	8,106
Change in working Capital	(351)	(486)
<b>Operating profit after working capital changes</b>	<b>8,835</b>	<b>7,620</b>
Taxes paid	(2,142)	(1,620)
<b>Cash flow from operating activities</b>	<b>6,693</b>	<b>6,000</b>
Capital Expenditure (Net of sales)	(1,455)	(3,089)
Cash flow from other investing activities	(1,594)	(454)
<b>Cash flow from Investing activities</b>	<b>(3,049)</b>	<b>(3,543)</b>
Cash flow from financing activities	(4,122)	(2,004)
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(478)</b>	<b>453</b>
Net Cash and Cash equivalents at the beginning of the year	643	191
<b>Cash and cash equivalents as at current year closing</b>	<b>165</b>	<b>644</b>

Net cash generated from operating activities on consolidated basis is ₹ 26,950 million for the fiscal year ended March 31, 2014 compared to ₹ 14,860 million for the fiscal year ended March 31, 2013. The increase is primarily due to higher earnings, improved profitability and focus on improvements in working capital management.

The improved level of cash generation has supported delivery of strong returns to shareholders.

## CAPITAL EXPENDITURE

During the year, the Company incurred ₹ 13,517 million and ₹ 1,455 million on account of capital expenditure at consolidated and standalone level respectively. Major portion of this expenditure has been financed through internal sources. The Company allocated significant amount during past years in enhancing its capacity at Germany, USA, China, Thailand, South Africa, Mexico, India and Spain. The company's motive is to focus on utilizing global capabilities in order to achieve new heights in terms of growth with optimal capital outlay. The capital expenditure is expected to be in the range of ₹ 9 billion to ₹ 11 billion during 2014-15, the details of which are described in various sections.

## REVENUES

MSSL consolidated revenue reached USD 5 billion during the year with 84% of consolidated revenue contributing from outside India. With the significant growth in revenue from outside India and ability to serve customer globally the Company has emerged as a global player in automotive component industry.

The Company is constantly evolving global manufacturing footprint. Global research and design centers combined with engineering centers in India, enables the Company to provide maximum value to its customers. The Company has expanded its operation globally and is serving its customers base in more than 30 countries across the globe.

MSSL is leading supplier of high quality interior & exterior polymer products, rear view mirrors, wiring harness, plastic components and modules, rubber components, 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 for the automotive and industrial applications.

MSSL is engaged in manufacturing a range of products from single circuit lead wire to complex cabin harnesses and from small harnesses to harnesses for large cranes and elevators thus provides a wide range of value added products and integrated solutions to its customers.

MSSL has broadened its horizons in diversified geographies by covering major customers and vehicle segments. The Company is catering to all major automobile manufacturers across the globe. Along with automotive industry, the Company's product portfolio also includes 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 improved by 20% and touched level of INR 303,580 million and on a standalone basis, the revenues increased by 5% to INR 44,738 million.

₹ in Million

	2013-14		2012-13	Growth
	%	Amount	Amount	%
<b>Consolidated</b>				
Modules and Polymer Components	56%	171,036	142,048	20%
Automotive Mirrors	30%	90,440	69,469	30%
Wiring Harness	13%	39,209	37,651	4%
Rubber/Metal machined & other products	1%	2,895	3,085	-6%
<b>Total</b>		<b>303,580</b>	<b>252,253</b>	<b>20%</b>
<b>Standalone</b>				
Wiring Harness	75%	33,634	31,826	6%
Modules and Polymer Components	24%	10,708	10,194	5%
Rubber/Metal machined & other products	1%	395	393	1%
<b>Total</b>		<b>44,738</b>	<b>42,413</b>	<b>5%</b>

### MODULES AND POLYMER PRODUCTS

Module and Polymer Division of the company specializes in developing and manufacturing wide range of products for both exteriors as well as interiors of the vehicles. 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 2013-14. Now it is amongst the largest plastic component and module suppliers to the automotive industry in Europe and India.

The division is focusing on adding new value added modules that require specialized engineering abilities. SMP's advanced production technologies and product range of interior and exterior products for automotive industry give opportunities to the division to expand the operations with the existing customer base.

### Markets outside India

The revenues of the division is mainly contributed by SMP and MATE. This business is also operated through the Company's subsidiaries namely MSSL Global RSA Module Engineering Ltd., MSSL Tooling FZE (MTL), Global Environment Management FZC (GEM), MSSL Advanced Polymers s.r.o. (MSP-CZ), and Vacuform 2000 Pty Ltd.

Sales in Module and Polymer division within India is shown in the below table:-

₹ in Million

Customers outside India	2013-14	2012-13	Growth
	Amount	Amount	%
Consolidated	159,981	131,740	21%
Standalone	862	829	4%

On consolidated basis sales to customers outside India has grown considerably by 21% and contributed turnover of ₹ 160 billion.

Samvardhana Motherson Peguform (SMP) is an established Global Tier 1 designer and manufacturer of 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.

It is one of the largest manufacturers of bumpers, rocker panels, instrument panels and interior door panels for European automotive OEMs. It covers all price range from mass segments to premium and luxury segments.

SMP has gained strategic support from customers through improvement of global supply footprint, investment in new technologies and increase of capacities and modernization.

SMP enjoys approximately 18% market share of the European premium bumpers market, 9% market share of the European premium instrument panels market and 23% market share of the European premium door panels market as assessed by the Company.

SMP employs more than 10,000 employees in 33 facilities including 8 module centre's, 15 manufacturing plants, 1 R&D centre and 9 engineering and project management centre's in 8 countries. These facilities are full systems solutions provider in polymer processing. SMP has portfolio of 300+ patents registered in its name. SMP is focused on German premium car makers in Europe, Mexico, Brazil and China. SMP is market leader and one of the largest suppliers of bumper covers, door panels, instrument panels and cockpit assemblies in Germany and Spain. SMP works with diversified group of approximately more than 500 suppliers worldwide. SMP is expanding its business base in China, Brazil and North America (incl. Mexico) to nourish its customer base across the globe. The company has a strong history of innovations which initiated many firsts in the European automotive market.

SMP implemented vertical integration by developing SMG in-house engineering capabilities which provide significant quality control and cost control advantages, enhanced supply security and shorter delivery and development lead times coupled with combined customer base and geographic footprint. The group companies has supplied polymer component of ₹ 366 million to SMP during the year 2013-14.

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

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.

### Domestic Markets

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 13 manufacturing facilities in India spread over Noida, Manesar, Pune, Bengaluru, Chennai, Pondicherry, Rajasthan and Gujarat. It is planning to start a new Design and Engineering Centre in Chennai in 2014-15. 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, Program Management, Vendor Performance and Supply by various customers.

Sales in Module and Polymer Products within India is shown in the below table:-

₹ in Million

Customers within India	2013-14	2012-13	Growth
	Amount	Amount	%
Consolidated	11,055	10,308	7%
Standalone	9,846	9,365	5%

The sale in India in Module and Polymer division of the company has registered a growth of 7% on consolidated basis and 5% on standalone basis during 2013-14.

### Outlook

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

- SMP has completed setup of new Greenfield facility located in Pearl River delta region at Foshan, China. Ramp up of commercial production will start during first half of 2014-15.
- SMP has incurred significant amount for construction of new Greenfield facility at Schierling, Germany for manufacturing of exterior modules to meet new orders received, commercial production at this plant will commence during 2014-15.
- SMP has setup new paint line and other improvements at Oldenburg to bring further operational efficiency to the plant.
- MSSL Global RSA Module Engineering Ltd. has completed set 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.

- Construction of new facility of MATE at Sanand (Gujarat) is under progress, to meet increasing demand from customers; new facility will start operations during end of 2014-15.
- MATE has started a new engineering facility in Noida to provide support services to the existing units.
- SMP made expansion in its plants in Latin America, Spain and China during the year.

Modules and Polymer Business started expanding the capacities at the following locations:

- SMP is setting up brownfield production facility in Bötzingen (Germany) for manufacturing of plastic components to meet new orders, commercial production will start during 2015-16.
- SMP is setting up new paint line and other improvements at Polinya plant to add capacities and bring further operational efficiency to the plant.
- MATE is setting up a new Design & Engineering centre in Chennai to provide designing and engineering services to business units.
- SMP will be setting up new greenfield plant at San José (Mexico) to add the capacities.
- SMP will be setting up new paint shop at Beijing (China) to add capacities for meeting the requirements of new orders for door trims.

### AUTOMOTIVE MIRRORS

Samvardhana Motherson Reflectec (SMR), the mirror division of the company constitutes 30% 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 Hyundai Kia, Ford, General Motors, PSA, Renault/Nissan, Suzuki, Fiat, Toyota, Tata JLR, Volvo, BMW, Daimler and Volkswagen. SMR's mirrors are engineered to optimize aerodynamic properties and integrate technologically advanced features that enhance safety, comfort and aesthetics. SMR focuses on the premium segment, with a product portfolio which covers a wide spectrum of vehicle and price segments, from low-cost mirrors to highly complex premium mirrors incorporating a variety of electronic features.

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 held 609 granted patents, 149 pending patents and 19 registered utility models. 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 22 production facilities, 12 Development, project management and sales commercial centre's, 3 R&D centre's, 1 sequence centre and more than 8,000 employees as on March 31, 2014. 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

Mirrors	2013-14		2012-13	Growth
	%	Amount	Amount	%
Customers Within India	4%	3,220	2,963	9%
Customers Outside India	96%	87,220	66,506	31%
<b>Total</b>		<b>90,440</b>	<b>69,469</b>	<b>30%</b>

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:

- SMR has completed construction of new facility in Langfang (China), commercial production and supplies have started during the year.
- SMR has expanded capacities at Yancheng (China), to support new orders received from existing customers.
- SMR has incurred significant amount for setting up new facility at Michigan (USA) to cater to growth coming up in North America market, commercial production will start from 2015-16.

SMR started expanding the capacities at the following locations:

- SMR has started setting up new plant at Chongqing (China) to support sales growth of global customers in China.
- SMR is setting up new glass line & side turn indicator in India and Thailand for captive consumption.
- SMR is also expanding its actuator manufacturing in France for mainly supporting in house requirement.

## WIRING HARNESSES

The Company is focused on expanding its global footprint and customer base in wiring harness business. 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 OEMs in India and together with its Joint Ventures has market share in excess of 65% 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. The Company has in house facilities to manufacture high precision plastic parts specially connectors, fuse boxes and junction boxes for wiring harnesses. It also has well-established tool rooms 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.

### Domestic Market

The wiring harness group is the market leader in India with a 65% market share of passenger car wiring and also contributes 75% to the company's sales within India. 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.

₹ in Million

Customers within India	2013-14	2012-13	Growth
	Amount	Amount	%
Consolidated	32,788	32,240	2%
Standalone	27,661	27,082	2%

The Company registered growth of 2% on standalone basis and 2% on consolidated basis in revenues in domestic market.

### Outside India

Exports from India recorded growth of 26% at Rs 5.97 billion on standalone basis and 19% on consolidated basis mainly driven by expanded customer base as given in below table:-

₹ in Million

Customers outside India	2013-14	2012-13	Growth
	Amount	Amount	%
Consolidated	6,420	5,411	19%
Standalone	5,974	4,744	26%

It includes sale of wiring harness of ₹ 1,696 million (Previous Year ₹ 1,184 million) to various locations of SMR. The total sale of wiring harness outside India on a consolidated basis registered a growth of 2% at ₹ 6.42 billion mainly on account of increase in demand from existing and new customers. New plants established in previous year in Mexico and Thailand started contributing in revenue in this fiscal year.

During 2013-14, 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 ₹ 3,466 million to SMR (Previous year ₹ 2,248 million) which has been knocked off and excluded from the reported sales of the Division.

### Outlook

In addition to expanding business with existing customers in more established markets, MSSL's expansion plans are focused primarily on emerging markets.

The Company has recently signed an asset purchase agreement to acquire the wiring harness business having turnover of approx. USD 300 million from six manufacturing facilities in Americas. It supplies principally to the commercial vehicles, agricultural equipment, material handling equipment and off-road vehicles. This is by far the largest acquisition for the core business of wiring harnesses. It has strong synergies with the proposed business being acquired in terms of customer segments and products. This acquisition will further strengthen presence in North America where it has in recent past, established wiring harness operations.

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

- Wiring Harness Division expanded its capacity at existing facilities in Noida, Chennai, and Bangalore.
- The ramp up of commercial production and supplies at Mexico and Thailand facility has started during the year.
- Commercial production started at wire plant set up at Noida for further increase in production capacity of wires by 50,000 Kms per year.

### 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. Main products manufactured by the division are Gear rim, Gear Wheel, Gear Blanks, Hydraulic cylinder parts, parts for Injection Moulding, Heat Sinks, Gear box Pins. In this financial year the division added two new customers in its list. 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

	2013-14		2012-13	Growth
	%	Amount	Amount	%
<b>Consolidated</b>				
Customers Within India	7%	212	179	18%
Customers Outside India	93%	2,683	2,906	-8%
<b>Total</b>		<b>2,895</b>	<b>3,085</b>	<b>-6%</b>
<b>Standalone</b>				
Customers Within India	49%	193	169	15%
Customers Outside India	51%	202	224	-10%
<b>Total</b>		<b>395</b>	<b>393</b>	<b>1%</b>

During the year, the division achieved growth of 18% in its domestic revenue and 8% decline 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

- The Division started its new facility at Mexico for manufacturing machined parts to meet demand from the existing customers and to cater new opportunities in South America automotive market. This facility has started commercial operation during 2013-14.

New facility has been set up at Noida for rubber compounding and moulding, commercial production started during the year.

## PERFORMANCE OF COMPANIES

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

### Samvardhana Motherson Automotive System Group B.V. (Formerly known as Samvardhana Motherson B.V.), 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 #	2013-14	2012-13	% change
Net Fixed Assets	344	341	1%
Goodwill on Acquisition	24	24	0%
Other Assets:			
- Inventory	197	169	17%
- Trade Receivables	141	168	-16%
- Cash & Bank Balance	56	33	70%
- Other Assets	79	55	44%
<b>Total Assets</b>	<b>841</b>	<b>789</b>	<b>7%</b>
Liabilities (other than Loans)	455	383	19%
<b>Net Assets</b>	<b>386</b>	<b>406</b>	<b>-5%</b>
Source of Funding:			
Net Worth	(41)	(49)	16%
Minority Interest	58	46	26%
	<b>17</b>	<b>(3)</b>	<b>667%</b>
<b>Loans Outstanding*:</b>			
- Payable within one year	60	125	-52%
- Short Term Loans	33	18	83%
- Long Term Loans	276	266	4%
<b>Total Loans</b>	<b>369</b>	<b>409</b>	<b>-10%</b>
<b>Loans net of cash and bank balances</b>	<b>313</b>	<b>376</b>	<b>-17%</b>
<b>Capital Expenditure (Net of disposals)</b>	<b>43</b>	<b>60</b>	<b>-28%</b>

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

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

## Performance in 2013-14:

Euro in Million

SMP – Consolidated #	2013-14	2012-13	% change
<b>Sales</b>	<b>1,917</b>	<b>1,826</b>	<b>5%</b>
<b>PBIDT (*)</b>	<b>104</b>	<b>69</b>	<b>51%</b>
Depreciation	48	47	2%
Exchange Fluctuation Loss /(Gain) on Long Term Loans*	16	13	23%
<b>Profit/(Loss) before tax</b>	<b>17</b>	<b>(10)</b>	<b>270%</b>
Profit/(Loss) after tax	5	(22)	123%
<b>MSSL share after adjusting Minority Interest</b>	<b>(7)</b>	<b>(16)</b>	<b>56%</b>

\* 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.

During second full financial year 2013-14, SMP registered turnover of Euro 1,917 million and EBITDA of Euro 104 million. SMP is serving its customers in different geographies. Europe continued to be the major contributor in turnover with 81% share, revenue contribution from China was 11% and South America 8%.

The series of actions initiated by the Company post acquisition has resulted in significant recovery and stabilizing operations at locations in distress. These action 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. As a result these facilities achieved new orders to drive profitability with EBITDA margin uplift.

SMP registered consistent revenue growth across all products, regions and key customers. Cost control and discipline are reflected in consistent year on year "EBITDA" margin improvement to 5.4% from 3.8%. PBT for the first year is positive at Euro 17 million in comparison with loss of Euro (10) million during previous year.

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

**Introduction:** SMR is a subsidiary of Motherson Sumi Systems Ltd, established business with superior product portfolio, demand visibility, high quality manufacturing and robust profitability. It has production facilities and engineering centers in 14 countries across the globe. It is one of the largest suppliers of rear view mirrors to automotive OEMS.



**Area of Business & Industry Segment:** It specializes in developing, producing and distributing rear vision systems for the global automotive market. Comprehensive product portfolio ranging from basic low-cost mirrors to premium highly complex mirrors with integrated electronic communication features.

#### Financial Position:

Euro in Million

SMR – Consolidated #	2013-14	2012-13	% change
Net Fixed Assets	187	184	2%
<b>Other Assets:</b>			
- Inventory	101	96	5%
- Trade Receivables	157	153	3%
- Cash & Bank Balance	33	27	22%
- Other Assets	41	34	17%
<b>Total Assets</b>	<b>519</b>	<b>494</b>	<b>5%</b>
Liabilities (other than Loans)	224	203	10%
<b>Net Assets</b>	<b>295</b>	<b>291</b>	<b>1%</b>
Source of Funding:			
Net Worth	136	96	42%
Reserve on Consolidation	20	20	-
Minority Interest	9	8	12.5%
	165	124	33%
Loans Outstanding:			
- Payable within one year	29	40	-28%
- Short Term Loans	55	66	-17%
- Long Term Loans	46	61	-25%
Total Loans	130	167	-22%
Loans net of cash balances	97	140	-31%
<b>Capital Expenditure (Net of disposals)</b>	<b>38</b>	<b>42</b>	<b>10%</b>

#### Performance in 2013-14:

Euro in Million

SMR – Consolidated #	2013-14	2012-13	Growth in %
<b>Sales</b>	<b>1,119</b>	<b>993</b>	<b>13%</b>
<b>PBIDT (*)</b>	<b>107</b>	<b>64</b>	<b>67%</b>
Depreciation	27	27	1%
Exchange Fluctuation Loss/ (Gain) on Long Term Loans*	(1)	1	200%
<b>PBT</b>	<b>75</b>	<b>29</b>	<b>159%</b>
PAT	56	15	273%
<b>MSSL share after adjusting Minority Interest</b>	<b>27</b>	<b>8</b>	<b>238%</b>

\* Excludes/represents 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 13% at Euro1,119 million for the fiscal year ended March 31, 2014 from Euro 993 million for the fiscal period ended March 31, 2013. There is significant increase in sales across all geographical locations.

Europe is major contributor in turnover with 47%, and revenue contribution from other geographies was Asia Pacific 34% (including India 3.6%) and Americas 19%. SMR profitability improved substantially with stabilization of operations at new facilities set up during previous year.

All the new plants of Hungary, Brazil and Thailand reported high utilization levels and led to the healthy revenue growth. Ramp up of these new facilities and the in-sourcing opportunities continued to reflect in EBITDA margins. SMR has delivered strong growth in EBITDA of 67% at Euro 107 million as compared to Euro 64 million during previous year. PBT has significantly increased by 159% at Euro 75 million in comparison with Euro 29 million during previous year. PAT has grown up by 273% at Euro 56 million as compared to Euro 15 million. SMR reports highest ever operating profit, PBT and PAT for the forth quarter and full year.

Going ahead, new plants capacity utilization and the in-sourcing opportunities would remain key for the margin improvement.

#### 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 2013-14:** The Company registered a healthy growth of 14% in revenues, Euro 40 million as compared to Euro 35 million 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 2013-14, the Company supplied wiring harness of Euro 18.3 million to SMR (Previous year Euro 14.6 million).

#### 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 2013-14:** The Company achieved revenue of GBP 14 million as compared to GBP 15 million during fifteen months in previous year.

#### Motherson Electrical Wires Lanka Private Limited

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

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

**Certifications:** ISO 14001:2004

**Performance in 2013-14:** MWL achieved revenue of US\$ 25 million as compared to US\$ 29 million in the previous year. In

year 2013-14, the company distributed a total dividend of USD 9 million.

### **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 2013-14:** The Company achieved a growth in revenue by 12% to Euro 6.6 million in 2013-14, as compared to Euro 5.9 million of the previous year. The Company has added new facility for screw assembly process on Anchor body during the year.

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

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

**Area of Business & Industry Segment:** The Company supplies products to leading European automotive Tier-I suppliers. The product range 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 2013-14:** The Company has generated revenue of Euro 12 million as compared to Euro 12 million during previous year's fifteen month period. In 2013-14, the Company supplied plastic components of Euro 3.5 million (Previous year Euro 3.3 million) to various locations of SMR.

### **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 2013-14:** During the year MSSL Polymer GMBH a wholly owned subsidiary of the company has been merged with the Company. The Company achieved a total turnover of Euro 6 million as compared to Euro 9 million during fifteen months in 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.

**Certifications:** ISO /TS 16949

**Performance in 2013-14:** The Company achieved revenue of Euro 12 million as compared to Euro 15 million in fifteen months in previous year.

### **Motherson Techno Precision México, S.A. de C.V**

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

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

**Performance in 2013-14:** The Company has been incorporated 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. The Company has started commercial production and supply during 2014-15.

### **MSSL s.r.l. Unipersonale**

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

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

### **MSSL 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. The Company has expanded 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 new plant started operation from 2013-14.

**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 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 Company expects to reap the full benefits of existing opportunities and future growth.

**Certifications:** TS16949: 2009 and ISO 14001

**Performance in 2013-14:** The Company achieved strong momentum in sales in its third year of operations and registered a healthy growth of 79% in revenue at ZAR 403 million as compared

to ZAR 225 million in previous year mainly due to sale from its new facility in Durban of ZAR 162 million.

The company has been awarded "Outstanding Project Management" award for the year 2013 by Toyota SA Motors, "KZN Mayoral Award for Excellence" by KZN Mayor

#### 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 2013-14:** The Company ramped up supplies and achieved growth of 30% in revenue at JPY 2,347 million during year as compared to JPY 1,810 million 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:** The Company supplies wiring harness within the group and 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 2013-14:** The Company achieved strong momentum in sales in its second year of operations and registered a growth in revenue at MXN 57 million as compared to MXN 6 million in previous year.

#### 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:** Thailand is a regional manufacturing hub and supplier for many of the world's largest auto makers. Thailand's auto industry is the most developed and largest in Southeast Asia, with a combined capacity to produce more than 1 million vehicles per year. The Company expects to reap the full benefits of existing opportunities and future growth in the region. The Company has set up this facility at Thailand for manufacturing of wiring harness for leading OEMs.

**Performance in 2013-14:** In the second year of manufacturing, the company achieved a turnover of THB 88 million as compared to THB 188K in previous year. The company supplied wiring harness of THB 13 million to SMR.

#### MSSL Korea WH Ltd.

**Introduction:** The Company is a 100% subsidiary of Motherson Sumi Systems Limited and is located at O-Chang Plaza, 821-4 Yangcheong-ri, Ochang-eup, Cheongwon-gun, Chungbuk, Korea.

**Area of Business & Industry Segment:** The Company has setup a new facility at Korea for supplies of wiring harness.

**Performance in 2013-14:** The Company supplied wiring harness to SMR amounting to KRW 339 million in its first year of operations.

#### Motherson Elastomer Pty Ltd

**Introduction:** The Company is an 80% subsidiary of Motherson Sumi Systems Ltd. and is located in Bendigo, Victoria in Australia.

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

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

**Performance in 2013-14:** During the year, the company achieved a turnover of AUD 20 million as compared to AUD 22 million in the previous year. As Australia has passed through a tough economic situation since mining investment has reached its boom in late 2012. Therefore resulting in marginal reduction in revenues on account of slowdown in demand from major mining 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 2013-14:** The revenue of the Company remains flat at AUD 1 million as compared to the last year.

#### 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 2013-14:** The Company achieved total revenue of ZAR 83 million as compared to ZAR 83 million in previous year.

The company has won new business from existing customers for blow moulded ducts.

#### **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 2013-14:** The Company achieved total revenue of Euro 0.3 million including service income as compared to Euro 0.4 million during fifteen months in 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 a 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.

#### **MSSL Investment Pty. Ltd.**

**Introduction:** The Company is a 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 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.

#### **MSSL Handels GmbH ("in Liqui")**

The company is a 100% subsidiary of Motherson Sumi Systems Ltd. and is located in Austria. The process for dissolution of the Company has been initiated and filed for liquidation on 8th October 2013. The liquidator has been appointed for representing the Company.

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

Figures in ₹ Million

	MSSL Holding	Capital Employed		Net Sales		Profit after tax		Capital Expenditure	
	2013-14	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Kyungshin Industrial Motherson Ltd.	50%	1,525	1,487	8,241	8,200	555	600	17	27
WOCO Motherson Ltd. (FZC)	33.33%	168	104	271	300	43	52	2	6
WOCO Motherson Elastomer Ltd.	33.33%	263	228	393	355	35	24	4	13
WOCO Motherson Advanced Rubber Technologies Ltd.	33.33%	548	375	778	641	173	122	4	16
Calsonic Kansei Motherson Auto Products Ltd.	49%	2,670	713	3,240	2,623	(71)	38	422	5
Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd.	50%*	2,019	1,684	5,940	4,125	465	215	166	41
Celulosa Fabril S.A. (include its 100% subsidiary Modulos Rivera Alta S.L.U.)	50%**	3,296	1,387	3,505	3,286	71	40	850	91

\* 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 conveyerised mass production of wiring harness.

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

**Performance in 2013-14:** The revenue of the Company remained flat at Rs 8,241 million as compared to Rs 8,200 million 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" and "Hyundai – Overall best performance award 2013" for the year 2013 by Hyundai Motor India Ltd.

### 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 2013:** WML achieved a turnover of Euro 3 million as compared to Euro 4 million in the previous year.

### 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 sporty padel for Maruti Suzuki India Ltd.

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

**Performance in 2013-14:** The Company recorded revenue of Rs 393 million as compared to Rs 355 million of the previous year.

The Company has been awarded "best delivery award" by Takata India Pvt. Ltd.

### 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 products like grommet and collecting tray to its manufacturing line during the year.

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

**Performance in 2013-14:** The revenue of the Company stands at ₹ 778 million as compared to Rs 641 million 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 2013-14:** The Company achieved revenue of ₹ 3,240 million as against ₹ 2,623 million in the previous year registering a strong growth of 24%. The Company has started trial run on new plant at Bawal, Haryana for manufacturing compressors, commercial production will start by end of this year. The Company will be supplying compressors to existing customer base and major OEMs.

During the year the company successfully started manufacturing of body control modules, transmitter and immobilizer from its Manesar plant and started manufacturing of heat evaporator from its Chennai plant.

### Samvardhana Motherson Nipissun Technology

**Introduction:** The Company is a joint venture between Motherson Sumi Systems Ltd. and Toyota Tsusho Corporation, Japan and Nippon Pigment(s) Pte Ltd., Singapore incorporated in September' 2013. The manufacturing units are located in Chennai and India.

**Area of Business & Industry Segment:** SMNTL will be supplying variety of resin materials compounds to the automotive customers, which is currently being imported in India.

**Performance in 2013-14:** The Company has completed trial run and will start its commercial production from August' 2014. The company is expected to spend ₹ 450 million in expansion plans this year.

### 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. Given the geographical spread of operations of the Company, the company has devised adequate systems to ensure statutory compliances at each locations and these compliances are monitored regularly.

## HUMAN RESOURCE

The real energy and force behind a company's growth and success is human capital. MSSL has a strong and diverse workforce with their inherent diversity in terms of demographics, geographical background, skills, education and experience. This is the strength of the company which it has developed over the years. MSSL today has more than 135 facilities spread across 25 countries in five different continents. Working with people from 25 different countries is a great source of collective experience 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.

Realizing the importance of human capital, MSSL places immense emphasis on nurturing and growing it. MSSL's in-house skill-based trainings, rewards & recognitions programmes, 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. In MSSL skill management is stressed upon and is an ongoing process. 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.

Quality Circle is one of the most important employee participation methods in MSSL. The winners in the annual Samvardhana Motherson Quality Circle Convention were JAGRITI QC of Quality Circle from MSSL, Gurgaon, India. SMG has over 600 quality circles operating within the Group, its subsidiaries and joint ventures. Quality Circle Teams of MSSL also participate in external competition and won accolades. It was a moment of pride when in the 27th National Convention on Quality Concepts held at TICT, Kolkata, India from December 20th – 23rd, 2013, Spurthi and Talents Unlock Quality Circles from MATE Bengaluru, Talash Quality Circle from MATE Manesar, Manthan Quality Circle from SMIEL won Par Excellence Award. Vijaypath Quality Circle from MATE Noida won

Excellent Award. Koshish Quality Circle from MATE Tapukara & Vijeta Quality Circle from SMIEL won Distinguished Award.

Talash and Pragati Quality Circles from MATE Manesar; Vijaypath Quality Circle from MATE Noida; Sandesh and Koshish Quality Circles from MATE Tapukara; Chetna, Manthan and Vijeta Quality Circles from SMIEL won Gold Award. Sahyog and Ujala Quality Circles from SMIEL won Silver Award in QCFI Bilaspur.

In Quality Circle Forum of India (QCFI) Bengaluru Chapter Spurthi and Talents Unlock Quality Circles from MATE Bengaluru won Gold Award. Pragati Quality Circle from SMIEL won Excellence Award in SWS, Japan. In National Quality Circle Competition organized by Honda Supplier's Club Kirti Quality Circle from MSSL Noida, won Gold Award. Elite Quality Circle from MSSL, Noida won the North Regional Quality Circle Competition organized by Honda Motorcycle & Scooter India Pvt. Ltd. In the Quality Circle Convention (QCC) organized by Toyota Kirloskar Suppliers' Association (TKSA) Quest Quality Circle from MSSL Bengaluru was adjudged as 2nd Runner's up. Agni Quality Circle from MSSL, Faridabad and Saksham Quality Circle from MSSL Noida received Gold Awards in the Delhi Chapter Convention Organized by QCFI. In Bengaluru Chapter Convention organized by QCFI, Quest Quality Circle & Prakruthi Quality Circle from MSSL Bengaluru won the Gold award. Prerna Quality circle & Blue Star Quality Circle won the Silver award. Mindspark Quality Circle & Utsav Quality circle from MSSL Pune won the Gold award in Pune Chapter convention organized by QCFI.

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 Sumitomo Wiring Systems, Ltd. Japan our joint venture partner.

## ENVIRONMENT, HEALTH AND SAFETY (EHS)

In MSSL, a lot of importance is placed on Environment, Health and Safety (EH&S) management. The company lays emphasis on its employees' health and safety and treats it as a corporate responsibility to ensure each employees safety.

The overall responsibility of employee health and safety at MSSL rests with the Human Resources department. The HR team conducts the 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 the 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 2014 - 10th March 2014 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 is committed to the environment. MSSL 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 over the years has built a tree plantation movement in its units with the objective of promoting a green and pollution free environment.

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

The company's polymer and mirror divisions also work on developing new lightweight products and support the weight reduction programs of their customers in order to reduce vehicle weight and resultant reduction in emissions because of less fuel consumption. Axis less mirror from SMR is an example of weight reduction.

The Company in a structured way continuously tries to identify risks and mitigate them effectively at the earliest. Environment, Health and Safety issues are concerns and area of priority for the company and continuous efforts are pumped in these areas.

### CORPORATE SOCIAL RESPONSIBILITY - CSR

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

The 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.

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 level 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.

MSSL has also been awarded by Sumitomo Wiring Systems, Ltd. for its social contribution activities.

### OPPORTUNITIES AND FUTURE PROSPECTS

Although the global automotive industry is undergoing unprecedented change, the relatively long development cycles mean that some of these new advances may take as much as 5-10 years to evolve. Over the last few years the sector has been witnessing operational and performance constraints in the form of soaring input and fuel costs, labour issues and rising government debt. These downward pressures seem to have eased up to an extent and the overall state of the sector seems to be looking

up. This is evidenced by the fact that Light vehicle production in Germany during the first quarter (Jan-Mar) in 2014 was 10% higher than the same period last year. The growth for this category in the Rest of Europe was 6% and in Asia (excluding India) was about 8%. Amidst all these changes, it is an opportune moment for MSSL to convert these challenges into opportunities and fuel its growth.

MSSL's long history of strategic partnerships, impeccable product quality and the ability to preempt customer needs and deliver on them, places it uniquely to take advantage of these trends. MSSL also has the unique ability of getting involved with OEMs at the design and development phase. These, coupled with its strong market presence in the BRIC region, will allow MSSL to capitalize on these changing trends in the global automotive marketplace.

MSSL's focus on continuing to expand its capacity in Europe, China, Brazil and Mexico positions it well to be at the helm of all these changes. It has also made a strong inroad into the North American market through the acquisition of Wiring Harness Business of Stoneridge Inc. MSSL's constant efforts towards delivering more content per car has always helped gain the trust and respect of its business partners as well as end clients. This drive to deliver more to the industry, thereby catering to the needs of the end user, has kept MSSL at the forefront of the Group's growth strategy. And with this continued approach, it can effectively convert the current challenges into opportunities and be well prepared for any changing trends that the industry throws at it.



# Directors' Report

To the members,

Your Directors have the pleasure in presenting the **27<sup>th</sup> Annual Report** together with the audited accounts of the Company for the financial year ended March 31, 2014.

## Financial Results

The summarized financial results for the year ended March 31, 2014 and for the previous year ended March 31, 2013 are as follows:

₹ in Million

Particulars	Standalone		Consolidated	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Gross Revenue from operations	50,025	47,676	309,974	258,788
Net Revenue from operations	45,245	43,041	304,279	253,124
Other Income	1,083	915	3,106	3,215
<b>Profit before depreciation, interest and tax</b>	<b>9,531</b>	<b>8,485</b>	<b>27,077</b>	<b>17,982</b>
Less: Depreciation and amortisation exp.	1,530	1,453	8,172	7,145
Less: Finance Costs	417	535	2,943	2,495
Add: Share of profit / (loss) in associates	—	—	(2)	8
<b>Profit Before Tax</b>	<b>7,584</b>	<b>6,497</b>	<b>15,960</b>	<b>8,350</b>
Less: Provision for Tax	2,233	1,801	4,994	3,835
Less: Minority Interest	—	—	3,316	70
<b>Profit after tax</b>	<b>5,351</b>	<b>4,696</b>	<b>7,650</b>	<b>4,445</b>
Add: Balance brought forward	7,605	4,785	10,597	8,120
Profit available for appropriation	12,956	9,481	18,247	12,565

## Operations and Performance

On consolidated basis for the year 2013-14, your company achieved total revenue of ₹ 304,279 million resulting in a growth of about 20% over its revenue of ₹ 253,124 million of the previous financial year ended March 31, 2013. Net profit for the year at ₹ 7,650 million was higher by 72% over the previous year's net profit of ₹ 4,445 million.

On standalone basis for the year 2013-14, your company achieved total revenue of ₹ 45,245 million resulting in a growth of about 5% over its total revenue of ₹ 43,041 million of the previous financial year ended March 31, 2013. The profit after tax for the year ended March, 2014 at ₹ 5,351 million was higher than 14% from the previous financial year ended March 31, 2013 at ₹ 4,696 million.

The Company has reported the best ever revenues and earnings for the year both on consolidated as well on standalone basis.

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

## Share Capital

During the year, your Company has issued 293,973,120 equity shares of ₹ 1/- each on account of the issue of Bonus Shares in the ratio of one share against two shares held. Since its initial public offering in 1993, this is sixth time the Company has rewarded its shareholders through a bonus issue.

After the allotment of Bonus Shares, the paid-up capital of the Company has been increased to ₹ 881,919,360 divided into 881,919,360 equity shares of ₹ 1/- each.

## Dividend

The Directors are pleased to recommend for approval of the members a payment of dividend of ₹ 2.50 per share on the enhanced share capital of the Company for the financial year ended March 31, 2014 (previous year ₹ 1.33 per share adjusted

for bonus issue during 2013-14 or ₹ 2/- per share on pre bonus issue) to the equity shareholders.

The dividend, if approved by the members would involve total cash outflow on account of dividend including dividend tax of ₹ 2,580 Million resulting in a payout of 48.20% of the standalone profits of the Company and 33.71% of the consolidated profits of the Company.

## Credit Rating

ICRA has revised long term rating of Company's Line of Credit facilities to 'AA-' from 'A+' and Company's Issuer rating to 'IrAA-' from 'IrA+'. Outlook on the long-term rating is retained as "Positive". ICRA has also reaffirmed the 'A1+' rating for ₹ 1500 million CP/ STD Programme of the company.

During the year, CRISIL has assigned its Corporate Credit Rating of 'CCR AA-' and a short term debt rating of 'CRISIL A1+' for its commercial paper program of ₹ 1,500 million.

The strong credit ratings by leading agencies reflect the Company's established market position in the automotive components industry, its well-diversified customer base across geographies and product segments and its healthy relationships with leading global original equipment manufacturers (OEMs).

## 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.

## Consolidated Financial Statements

In accordance with the Accounting Standard - 21 on Consolidated Financial Statements read with Accounting Standard - 23 on Accounting for Investments in Associates and Accounting Standard -27 on Financial Reporting of Interests in Joint Venture in Consolidated Financial Statements, your Directors have the

pleasure in attaching the Consolidated Financial Statements which form a part of the Annual Report.

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

### Subsidiary Companies

Pursuant to the provision of Section 212(8) of the Companies Act, 1956, the Ministry of Corporate Affairs vide its circular dated February 8, 2011 has granted general exemption from attaching the Balance Sheet, statement of Profit and Loss 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 ₹ 6,975 million as against ₹ 5,632 million in the previous financial year. The Company continues to make its efforts towards achieving higher growth by providing cost competitive quality solutions to its customers. In addition, the Company has facilities mainly in Europe, to constantly service the customers as well as scan the market for growth.

### Post Balance Sheet Events

#### 1. Acquisition of Wiring Harness business of Stoneridge Inc.

The Company has signed an agreement to acquire the Wiring harness business of Stoneridge Inc. through asset purchase at transaction value of US \$ 65.7 million. This acquisition is expected to close during July - Sep. 2014, subject to customary closing conditions. The acquired business has a turnover of approx. USD 300 Million.

The transaction includes six manufacturing facilities located in Portland, Indiana; Chihuahua, Mexico; Saltillo, Mexico; and Monclova, Mexico; as well as an engineering and administrative center located in Warren, Ohio.

#### 2. New Structure – SMR and SMP combined

Samvardhana Motherson Automotive Systems Group B.V., Netherlands (SMRP) (formerly known as Samvardhana Motherson B.V.), Company's subsidiary and joint venture with Samvardhana Motherson International Limited acquired shareholding of Samvardhana Motherson Reflectec Group Holdings Limited (SMR) from Samvardhana Motherson Group Holdings Limited, Cyprus in share exchange deal on June 13,

2014. This has resulted in combining SMR Group and SMP Group into one reporting entity.

### 3. Issuance of new Senior Secured Notes

Samvardhana Motherson Automotive Systems Group B.V., Netherlands (SMRP, BV), Company's subsidiary and joint venture with Samvardhana Motherson International Limited, has announced an offering of €500,000,000 new 4 1/8% Senior Secured Notes due 2021 (the "Senior Secured Notes"), proceeds of which shall be utilized for prepayment of existing borrowings as well for general corporate purposes including financing of capital expenditure. The proposed offering does not involve any corporate guarantee from the parent company. SMRP, BV has announced the closing of its offering on July 10, 2014.

### Directors

The company had, pursuant to the provision of clause 49 of the Listing Agreement entered into with stock exchanges, appointed Maj. Gen. Amarjit Singh (Retd.), Mr. S.C. Tripathi, IAS (Retd.), Mr. Arjun Puri and Mr. Gautam Mukherjee as an independent Director on the Board of the Company.

On January 31, 2014 Board appointed Ms. Noriyo Nakamura as a director in casual vacancy caused by resignation of Mr. Hideaki Ueshima and further Ms. Geeta Mathur appointed as an Additional Director w.e.f. January 31, 2014 (Designated as an Independent Director). Mr. Hideaki Ueshima Director of the company has resigned earlier w.e.f. December 23, 2013.

As per provisions of the Companies Act 2013, Mr. Pankaj Mital, Director of the Company, who will retire by rotation in the ensuing Annual General Meeting being eligible, seek re-appointment. The Board of Directors recommends his re-appointment.

Your Directors while welcoming Ms. Geeta Mathur and Ms. Noriyo Nakamura on the Board of the Company and placed on record, their appreciation for the valuable services rendered by Mr. Hideaki Ueshima during his 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.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

### Directors' responsibility statement

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

- That in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departure were made for the same;
- That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for year ended on that date;

- 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

M/s. Price Waterhouse, Chartered Accountants, (Registration No.- 012754N), Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received letters from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

The observations of the Auditors and the relevant notes on the accounts are self-explanatory and therefore do not call for any further comments.

### 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:
  - Focused Cost Down
  - "Overall Gold Award" for outstanding performance.
  - Shield awarded for "Consistent High Quality"
  - Shield awarded for "System Audit"
  - Shield awarded for "Inner Part Localization"
  - Shield awarded for "E- Nagare Schedule Adherence"
- WHD has received the 'Spare Parts Gold Award' in the category of Quality and also got the award for being "Winner" in the "Quality Circle Competition 2013- 2014" from Honda Cars India Ltd.
- WHD has received Overall Best Vendor" for being the "Best supplier Quality" & "Best Supplier Award" for the year 2013-14 from Tata Motors Limited.
- WHD has also received "Best Supplier Award – 2013" for the year 2013-14 from Eicher Motors Limited and New Holland.

#### Polymer Division (MATE):

Polymer division of the Company has been awarded with following appreciations by Customers during the year:

- MATE received "Supplier of the Year Gold Award" from Toyota for outstanding performance in the category of "Quality, Cost and Delivery"
- MATE received "Overall Best Supplier Award" from Tata Motors for overall outstanding performance.
- MATE received "Certificate of Appreciation in Safety and Timely Capacity Enhancement" Award from Maruti Suzuki.
- MATE received "Value Engineering Award" from Hyundai.
- MATE received "Best Support in New Model Development" award from Honda Cars.

The Company has also been the winner of "Quality Co-Creation Competition (Best Practices)" hosted by Mahindra & Mahindra and Q.C.I.D.M. Supplies performance Award hosted by JCB.

### 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 2014-15 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, Govt. of India, State governments in India and concerned Government Departments/Agencies for their co-operation.

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 22, 2014

**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 (Disclosure 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.
- In process to explore the use of PNG in lieu of Diesel in Gen-sets.
- 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.
- Close loop water cooling circuit for DG's instead of cooling towers for water & power conservation.
- 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.
- 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 brining 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	:	₹ 19 Million
b) Revenue	:	₹ 147 Million
c) Total	:	₹ 166 Million

d) Total R&D expenditure is 0.37% 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 –

The 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 –

The 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 ₹ 6,975 million.

2. Total foreign exchange earned and used (₹ in Million)
 

a. Total Foreign exchange earned	7,843
b. Total Foreign exchange used	17,289

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 22, 2014

**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. The company has adopted a Code of Conduct for its employees, Officers and Directors.

The Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreements entered into with Stock Exchanges with regard to Corporate Governance.

### Board of Directors

As on March 31, 2014, the Company has ten Directors of which, nine are Non-executive Directors including five Independent Directors. The Composition of the Board is in the conformity with Clause 49 of the Listing Agreements entered into with the Stock Exchanges.

During the year, on May 23, 2013, Late Mr. S.P. Talwar, Independent Director resigned from the Board on account of health reasons. The Company was required to appoint a new Independent Director on or before November 19, 2013 i.e. 180 days from the resignation of the Independent Director. Consequent to the resignation of Mr. Hideaki Ueshima (Non-Executive Director) on December 23, 2013, there was no further requirement of appointment of any additional Independent Director as per the Listing Agreement.

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, 2014 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, 2014 are given herein below. Other Directorships do not include alternate directorships, directorships of private limited companies, section 25 companies and 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 DIN 00291126	Non-executive Director *	10	5	1
Maj. Gen. Amarjit Singh (Retd.) DIN 00211758	Independent Director	1	3	2
Mr. S.C. Tripathi, IAS (Retd.) DIN 00941922	Independent Director	7	7	1
Mr. Toshimi Shirakawa DIN 00310164	Non-executive Director \$	1	1	–
Mr. Arjun Puri DIN 00211590	Independent Director	1	1	–
Mr. Gautam Mukherjee DIN 02590120	Independent Director	1	1	–
Ms. Geeta Mathur** DIN 02139552	Independent Director	–	1	–
Mr. Laksh Vaaman Sehgal DIN 00048584	Non-executive Director *	8	4	1
Ms. Noriyo Nakamura** DIN 06809512	Non-executive Director \$	–	1	–
Mr. Pankaj Mital DIN 00194931	Whole-time Director/Chief Operating Officer*	2	2	–

\* Nominee Directors of Samvardhana Motherson International Ltd. (SMIL),

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

\*\* Appointed as a director w.e.f. 31st January, 2014.

### 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 four times during the financial year 2013-2014: (i) May 17, 2013 (ii) July 31, 2013 (iii) November 1, 2013 (vi) January 31, 2014

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	4	Yes
Maj. Gen. Amarjit Singh (Retd.)	4	Yes
Mr. S.C. Tripathi IAS (Retd.)	4	Yes
Mr. Toshimi Shirakawa	3	Yes
Mr. Arjun Puri	4	Yes
Mr. Gautam Mukherjee	4	Yes
Mr. Laksh Vaaman Sehgal	4	Yes
Mr. Pankaj Mital	4	Yes
Mr. Hideaki Ueshima*	3	Yes
Late Mr. S.P. Talwar**	–	N.A.
Ms. Geeta Mathur***	1	N.A.
Ms. Noriyo Nakamura***	1	N.A.

\* Resigned from the directorship w.e.f. 23.12.2013

\*\* Late Mr. S.P. Talwar had resigned from the directorship on 23.05.2013 on account of health reasons.

\*\*\* Appointed as director w.e.f. 31.01.2014

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 2013-14, 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 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) Million 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, 2014 are as follows:

- a. Non-executive (Independent Directors) :

Name of the Director	Commission (₹)	Sitting fee (₹)
Maj. Gen. Amarjit Singh (Retd.)	1,800,000	100,000
Mr. S.C. Tripathi IAS (Retd.)	1,800,000	180,000
Mr. Arjun Puri	1,800,000	80,000
Mr. Gautam Mukherjee	1,800,000	180,000
Ms. Geeta Mathur*	300,000	20,000

\* Appointed w.e.f. 31.01.2014

- b. Whole-time Director :

Name of the Director	Salary	Amount (₹)
Mr. Pankaj Mital	Basic salary	7,015,656
	Bonus	1,403,131
	Benefits perquisites and allowances	2,124,313
	<b>Total</b>	<b>10,543,100</b>

The period of service of Mr. Pankaj Mital as Whole-time Director was being expired on 31st March, 2014. Now the Board of Directors at their meeting held on January 31, 2014, re-appointed Mr. Pankaj Mital as a Whole-time Director subject to the approval of Shareholder in the ensuing Annual General Meeting for the further period of 3 years w.e.f. 01.04.2014 and the period of service can be terminated by either party giving three month notice in advance.

## **COMMITTEES OF BOARD**

### **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 five times during the financial year 2013-14 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) April 20, 2013 (ii) May 17, 2013 (iii) July 31, 2013 (iv) November 1, 2013 (v) January 31, 2014.

The necessary quorum was present for all the meetings.

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

<b>Name</b>	<b>Designation</b>	<b>Non-executive/ Independent</b>	<b>Committee meetings attended</b>
Mr. S.C. Tripathi, IAS (Retd.)	Chairman	Independent	5
Mr. Gautam Mukherjee	Member	Independent	5
Mr. Toshimi Shirakawa	Member	Non-executive	3
Late Mr. S.P. Talwar*	Member	Independent	--
Ms. Geeta Mathur**	Member	Independent	--

\* Late Mr. S.P. Talwar had resigned from the directorship on 23.05.2013 on account of health reasons, accordingly he ceased from the member of the committee.

\*\* Board of Director of the Company at their meeting held on 31.01.2014 inducted Ms. Geeta Mathur as a member of Audit Committee.

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 advice.
- 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.

The Audit Committee invites such of the executives, as it considers appropriate (particularly the head of the finance function), representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings. The Company Secretary act as the Secretary to the Audit Committee.

The previous Annual General Meeting (AGM) of the Company was held on August 31, 2013 and was attended by Mr. S.C. Tripathi, IAS (Retd.) Chairman of the Audit Committee.



### 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
Ms. Noriyo Nakamura*	Member	Non-executive
Mr. Pankaj Mital	Member	Executive

\* Ms. Noriyo Nakamura has been inducted as a member of Shareholders'/Investors' Grievance Committee w.e.f. 31.01.2014 in place of Mr. Hideaki Ueshima.

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

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

### Other Committees:

#### (i) Committee of Director (Management Committee)

The Company has a Committee of Directors which is constituted and authorised by the Board to facilitate the decision making required to perform various day to day operations of the organization. The Committee has been formed on September 10, 2012 and the Committee met ten times during the financial year 2013-14.

The following are the members of the Committee:

Mr. L.V. Sehgal	:	Chairman
Ms. Noriyo Nakamura*	:	Member
Mr. Pankaj Mital	:	Member

\* Ms. Noriyo Nakamura has been inducted as a member of the Committee w.e.f. 31.01.2014 in place of Mr. Hideaki Ueshima.

The terms of reference of the Committee of Directors includes the following:

- To open bank accounts and to authorise Directors and/or Officers to operate the said accounts
- To authorise Directors and/or Officers to present the Company before Government and other Authorities/Bodies.
- To appoint Occupier of the Factory of the Company
- To authorise Officials of the Company to sign necessary statutory documents
- To authorise Director and/or Officers of the Company to acquire land and sign and execute lease/sub-lease agreements
- To authorise any Director and/or Officer of the Company to represent the Company at any meeting of shareholders or Debentureholder
- Any other items as may be decided by the Board

#### (ii) Executive Committee of Directors

The Company has an Executive Committee of Directors which is constituted on January 31, 2014.

The Executive Committee of Directors comprising of Mr. V. C. Sehgal (Chairman), Maj. Gen. Amarjit Singh (Retd.) (Independent Director), Mr. Arjun Puri (Independent Director), Ms. Geeta Mathur (Independent Director), Mr. L.V. Sehgal (Non- Executive Director), Ms. Noriyo Nakamura (Non- Executive Director), Mr. Pankaj Mital (Whole-time Director).

The Executive Committee's role covers a detailed review of the following matters before these are presented to the Board:

- Acquisition proposals
- Divestment and Business re-organisation proposals
- Business & Strategy Review
- Long-term financial projections and cash flow
- Any other items as may be decided by the Board

### 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 2013-2014 was 29,390 as compared to 58,329 during 2012-2013.
- 99.26% of the equity shares of the Company are in electronic form. Transfers of these shares are done through the depositories with no involvement of the Company.
- As on March 31, 2014, 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
Ms. Noriyo Nakamura*	:	Member
Mr. Pankaj Mital	:	Member

\* Ms. Noriyo Nakamura has been inducted as a member of the Committee w.e.f. 31.01.2014 in place of Mr. Hideaki Ueshima.

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

### **Investor relations**

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

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

The complaints are generally responded to within 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
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	–
26th	August 31, 2013	3:30 P.M.	FICCI Golden Jubilee Auditorium, New Delhi	–

- 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/ provide loans/ corporate guarantee to Samvardhana Motherson Polymers Limited, Joint Venture/ Subsidiary of the Company.
- Issuance of Corporate Guarantees / securities in favour of State Bank of India for SMP Automotive Exterior GmbH.
- For making investment/ provide loans to Samvardhana Motherson Nippisun Technology Limited, Joint Venture of the Company.

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

- The following Special 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. 45 in the Annual Report.
- No penalties or strictures were imposed by SEBI or the Stock Exchange.
- All mandatory requirements have been complied with.
- The statutory financial statements of the company are unqualified.

### **Means of communication**

The quarterly, half-yearly and annual results of the Company are published in leading newspapers of India which include The Economic Times, Times of India and Nav Bharat Times. The results are also displayed on the Company's website [www.motherson.com](http://www.motherson.com). Press Release made by the Company from time to time is 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 : 25.08.2014
- Day : Monday
- Time : 11:30 A.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 25, 2014.

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

- Financial reporting for the first quarter ending June 30, 2014: on or before August 14, 2014
- Financial reporting for the second quarter ending September 30, 2014: on or before November 15, 2014
- Financial reporting for the third quarter ending December 31, 2014: on or before February 15, 2015
- Financial results for the year ending March 31, 2015: on or before May 30, 2015

3. **Book Closure date** : 21.08.2014 to 25.08.2014 (both days inclusive)

4. **Dividend payment date** : on or after 25.08.2014

5. **Corporate Identification Number** : L34300DL1986PLC026431

## 6. Listing on stock exchanges:

### - **Equity shares**

BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street,  
Mumbai -400001  
Code: 517334

National Stock Exchange of India Limited  
Exchange Plaza, 5th Floor  
Plot no. C/1, G Block  
Bandra - Kurla Complex  
Bandra (E),  
Mumbai - 400051  
Code: MOTHERSUMI

Delhi Stock Exchange Limited  
DSE House, 3/1, Asaf Ali Road  
Delhi - 110002

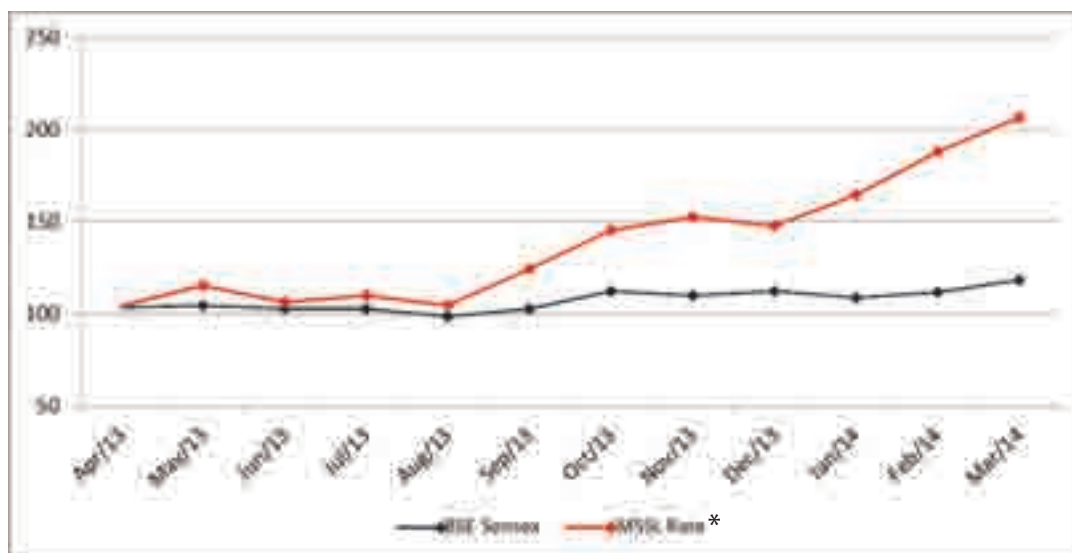
Ahmedabad Stock Exchange Limited  
Kamdhenu Complex,  
Near Polytechnic Panjara Pole  
Ahmedabad - 380015

## 7. Market price data

Month	BSE Limited		National Stock Exchange of India Limited	
	High	Low	High	Low
April 2013	202.00	173.65	196.00	173.85
May 2013	225.00	183.25	224.75	175.25
June 2013	215.00	193.25	214.95	193.15
July 2013	228.80	185.10	230.00	185.25
August 2013	241.10	185.10	241.60	185.30
September 2013	233.75	192.00	233.70	191.30
October 2013	272.00	225.80	271.90	225.00
November 2013	297.70	249.85	298.30	249.30
December 2013*	295.00	180.00	294.80	179.60
January 2014	218.00	178.25	218.40	178.25
February 2014	234.85	191.20	234.90	191.25
March 2014	259.95	218.00	259.00	217.20

\* Price from December 20, 2013 is Ex-Bonus.

## 8. Performance in comparison to broad based indices



Base 100 = April 1, 2013

\* Adjusted for 1:2 Bonus. The share has been trading Ex-Bonus on the Stock Exchanges w.e.f. December 20, 2013

## 9. Shareholding Pattern of the Company as on 31.03.2014

Category	No. of shares held	% of shareholding
Indian Promoters	352,162,678	39.93
Foreign Promoters	226,303,625	25.66
Financial Institutions, Mutual Funds & Banks	65,491,224	7.42
Foreign Institutional Investors	149,130,526	16.91
Bodies Corporate	32,817,544	3.72
General Public (Individuals)	53,401,120	6.06
NRIs/ Trusts	1,038,561	0.12
Clearing Members*	1,574,082	0.18
<b>Total</b>	<b>881,919,360</b>	<b>100.00</b>

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

## 10. Registrar and Transfer Agents

The Registrar and Transfer Agent (RTA) of the Company is M/s Karvy Computershare Pvt. Ltd. The investors can send their queries to:

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



# 11. Distribution of shareholding as on March 31, 2014

Range (Amount)	No. of shareholders	% of shareholders to total	No. of shares	% of shares to total
1 – 5000	22,423	90.23	10,425,795	1.18
5001-10000	813	3.27	5,791,815	0.66
10001 – 20000	869	3.50	10,925,878	1.24
20001 – 30000	152	0.61	3,695,264	0.42
30001- 40000	78	0.31	2,736,184	0.31
40001 – 50000	47	0.19	2,127,578	0.24
50001 – 100000	133	0.54	9,447,232	1.07
100001 and above	336	1.35	836,769,614	94.88
<b>TOTAL</b>	<b>24,851</b>	<b>100.00</b>	<b>881,919,360</b>	<b>100.00</b>

# 12. Dematerialization of shares and liquidity

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

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

# 13. Plant Locations :

Noida (Uttar Pradesh)  
Haldwani (Uttarakhand)  
Lucknow (Uttar Pradesh)  
Faridabad (Haryana)  
Gurgaon (Haryana)  
Manesar (Haryana)  
Pune (Maharashtra)  
Kandla (Gujarat)  
Sanand (Gujarat)  
Pathredi (Rajasthan)  
Tapukara (Rajasthan)  
Bangaluru (Karnataka)  
Chennai (Tamilnadu)  
Puducherry

# Representative Office(s)

Sharjah  
Germany

# 14. Investors' correspondence may be addressed to:

Mr. G.N. Gauba.  
Chief Financial Officer & 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 22, 2014 and the same was approved.

## DECLARATION

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

I confirm that the Company has in respect of the financial year March 31, 2014 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 22, 2014  
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, 2014, 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, subject to the following,

Consequent to resignation of an independent director, Late Mr. S.P Talwar on May 23, 2013 on health grounds, composition of board of directors was not in compliance with Clause 49 1(A) (ii) of the Listing Agreement since the board of directors constituted only 4 independent directors as against the required number of 5 as the replacement director for Late Mr. S.P. Talwar was not appointed on or before November 19, 2013, that is, within 180 days from the date of resignation / removal as per Clause 49 1 (C)(iv) of the Listing Agreement.

However, consequent to the resignation of Mr. Hideaki Ueshima (Non-Executive Director) on December 23, 2013, there was no further requirement of appointment of any additional independent director as per the Listing Agreement since the total number of directors reduced to 8, 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 Number: 012754N**  
Chartered Accountants

Date: July 22, 2014  
Place: Noida

**Rajib Chatterjee**  
Membership Number 057134

# 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, 2014, 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 notified under the Companies Act, 1956 (the "Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in sub-section (3C) of Section 211 of 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 and other applicable authoritative pronouncements 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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, 2014;
  - (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;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
  - (e) On the basis of written representations received from the directors as on March 31, 2014, 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

**Rajib Chatterjee**

Partner

Place: Noida  
Date: May 22, 2014

Membership Number 057134

## 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, 2014

- 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 an unsecured loan, 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 ₹ 150 million and ₹ 100 million, respectively. The Company has not granted any secured/ unsecured loans to firms or other parties covered in the register maintained under Section 301 of the Act.
- (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, to 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 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 generally regular in depositing undisputed statutory dues in respect of entry tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, sales tax, income tax, wealth tax, service tax, customs duty, excise duty and other material statutory dues, as applicable, with the appropriate authorities. The extent of the arrears of statutory dues outstanding as at March 31, 2014, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount (₹ in Million)	Period to which the amount relates	Due date	Date of Payment
The Rajasthan Entry Tax - Goods Act, 2003	Entry Tax	0.78	2011-12	March 31, 2012	Not Paid



- (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, as at March 31, 2014 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in Millions)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	13.07	2003-04 2004-05 2005-06	ITAT
Income Tax Act, 1961	Income Tax	0.93	2006-07 2010-11	CIT (A)
U.P Trade Act, 1948	Value Added Tax, CST, Sales Tax	32.51	2007-08 2008-09 2009-10	Joint Commissioner (Corporate Circle), Commercial Tax Department, Noida
U.P Trade Act, 1948	Sales Tax	10.08	2000-01 to 2006-07	Assessing Officer
U.P Trade Act, 1948	Sales Tax	0.72	2006-07	Additional Commissioner (Appeals)
U.P Trade Act, 1948	Sales Tax	2.75	2005-06	Joint Commissioner, Commercial Tax Department, Noida
Central Excise Act, 1944	Central Excise	0.02	2000-01 to 2003-04	Hon'able Supreme Court
Central Excise Act, 1944	Central Excise	24.60	2000-01 & 2001-02 2005-06 to 2008-09 2003-04 & 2005-06	CESTAT
Central Excise Act, 1944	Service Tax	1.61	1999-00 to 2001-02	Hon'able High Court, Allahabad
Central Excise Act, 1944	Service Tax	11.39	2002-03 2002-03 to 2003-04 2005-06	CESTAT
Central Excise Act, 1944	Service Tax	2.14	2007-09	Commissioner of Central Excise (Appeals)
Central Excise Act, 1944	Service Tax	0.31	2003-04	Hon'able High Court, Madras
Central Excise Act, 1944	Service Tax	0.38	2012-13 2013-14	Commissioner of Central Excise (Appeals)
UP Tax on Entry of Goods Rules, 1999	Entry Tax	3.37	1999-00 to 2001-02	Hon'able High Court, Allahabad

- 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, the term loans have been applied, on an overall basis, 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

**Rajib Chatterjee**

Partner

Place: Noida  
Date: May 22, 2014

Membership Number 057134

## Balance Sheet

(All amounts are in ₹ Million, unless otherwise stated)

	Note	As At March 31, 2014	As At March 31, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	882	588
Reserves and Surplus	4	18,174	15,652
		<b>19,056</b>	<b>16,240</b>
<b>Non Current Liabilities</b>			
Long Term Borrowings	5	4,221	5,095
Deferred Tax Liabilities (Net)	6	115	177
Other Long-Term Liabilities	7	143	152
Long Term Provisions	8	146	147
		<b>4,625</b>	<b>5,571</b>
Current Liabilities			
Short Term Borrowings	9	1,957	3,263
Trade Payables	10	4,364	4,778
Other Current Liabilities	11	3,155	2,341
Short Term Provisions	12	3,487	2,211
		<b>12,963</b>	<b>12,593</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>36,644</b>	<b>34,404</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Fixed Assets			
Tangible Assets	13	14,330	14,166
Intangible Assets	13	14	30
Capital Work in Progress		519	861
Non Current Investments	14	5,821	5,132
Long Term Loans and Advances	15	2,454	802
Other Non-Current Assets	16	29	9
		<b>23,167</b>	<b>21,000</b>
<b>Current Assets</b>			
Current Investments*	17	0	0
Inventories	18	5,628	5,420
Trade Receivables	19	5,754	5,464
Cash and Bank Balances	20	191	658
Short Term Loans and Advances	21	1,785	1,765
Other current assets	22	119	97
		<b>13,477</b>	<b>13,404</b>
<b>TOTAL ASSETS</b>		<b>36,644</b>	<b>34,404</b>
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: 012754N  
Chartered Accountants

**V.C. SEHGAL**  
Chairman

**NORIYO NAKAMURA**  
Director

**PANKAJ MITAL**  
Chief Operating Officer

**RAJIB CHATTERJEE**  
Partner  
M.No.: 057134

**G.N. GAUBA**  
Chief Financial Officer &  
Company Secretary

Place: Noida  
Date : May 22, 2014

# Statement of Profit and Loss

(All amounts are in ₹ Million, unless otherwise stated)

	Note	For the Year Ended March 31, 2014	For the Year Ended March 31, 2013
<b>REVENUE</b>			
Revenue from Operations (Gross)		50,025	47,676
Less: Excise Duty		4,780	4,635
Revenue from Operations (Net)	23	45,245	43,041
Other Income	24	1,083	915
<b>TOTAL REVENUE</b>		<b>46,328</b>	<b>43,956</b>
<b>EXPENDITURE</b>			
Cost of Materials Consumed	25	24,225	24,839
Purchase of stock-in-trade		1,069	1,007
Changes In Inventories of finished goods, work-in-progress and stock-in-trade	26	(152)	(549)
Employee Benefits Expense	27	4,975	4,392
Other Expenses	28	6,680	5,782
		<b>36,797</b>	<b>35,471</b>
<b>Profit Before Interest and Depreciation</b>		<b>9,531</b>	<b>8,485</b>
Finance Costs	29	417	535
<b>Profit for the Year before Depreciation and Amortization Expense</b>		<b>9,114</b>	<b>7,950</b>
Depreciation and Amortization Expense	30	1,530	1,453
<b>Profit Before Tax</b>		<b>7,584</b>	<b>6,497</b>
Tax Expenses			
-Current Tax		2,295	1,858
-Deferred Tax Expense / (Credit)	6	(62)	(37)
-Income Tax for earlier years *		(0)	(20)
<b>Profit for the year</b>		<b>5,351</b>	<b>4,696</b>
<b>Earnings per share (Refer Note. 43)</b>			
Nominal value per share : ₹ 1 (Previous year : ₹ 1)			
Basic: ₹ per share		6.07	5.33
Diluted: ₹ per share		6.07	5.33
Summary of Significant Accounting Policies	2		

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

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

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

**RAJIB CHATTERJEE**  
Partner  
M.No.: 057134

Place: Noida  
Date : May 22, 2014

The notes are an integral part of these financial statements

For and on behalf of the Board

**V.C. SEHGAL**  
Chairman

**NORIYO NAKAMURA**  
Director

**PANKAJ MITAL**  
Chief Operating Officer

**G.N. GAUBA**  
Chief Financial Officer &  
Company Secretary

## Cash Flow Statement

(All amounts in ₹ Million, unless otherwise stated)

	For the year Ended March 31, 2014	For the year Ended March 31, 2013
<b>A. Cash flow from operating activities:</b>		
Net profit before tax	7,584	6,497
Adjustments for:		
Depreciation	1,514	1,437
Amortisation	16	16
Profit on sale of tangible assets (net)	(31)	(46)
Liabilities no longer required written back	(55)	(36)
Bad debts/advances written off*	0	11
Provision for doubtful debts / advances	3	–
Profit on sale of Investments*	0	–
Diminution in value of current investment*	(1)	0
Provision for gratuity & compensated absences	(15)	126
Provision for warranty	–	(7)
Interest income	(93)	(50)
Dividend income	(754)	(680)
Interest expenses	417	535
Mark to Market Loss/(Gain)	(55)	(48)
Unrealised foreign exchange loss (net)	656	351
<b>Operating profit before working capital changes</b>	<b>9,186</b>	<b>8,106</b>
<b>Change in working Capital:</b>		
Increase/(Decrease) in Trade Payables	(319)	273
Increase/(Decrease) in Other Payables	463	(6)
(Increase)/Decrease in Trade Receivables	(307)	(100)
(Increase)/Decrease in Inventories	(207)	(769)
(Increase)/Decrease in Other Receivables	19	116
<b>Cash generated from operations</b>	<b>8,835</b>	<b>7,620</b>
– Taxes (Paid) / Received (Net of TDS)	(2,142)	(1,620)
<b>Net cash generated from operations</b>	<b>6,693</b>	<b>6,000</b>
<b>Net cash generated from operating activities</b>	<b>6,693</b>	<b>6,000</b>
<b>B. Cash flow from Investing activities:</b>		
Purchase of tangible / intangible assets	(1,526)	(3,182)
Sale of tangible assets	71	93
Purchase of long term investments	(688)	(1,209)
Loan to related parties	(1,687)	41
Interest received	79	52
Dividend received from subsidiaries	483	297
Dividend received from others	218	349
Proceeds from Government subsidy	1	16
<b>Net cash used in investing activities</b>	<b>(3,049)</b>	<b>(3,543)</b>



(All amounts in ₹ Million, unless otherwise stated)

	For the year Ended March 31, 2014	For the year Ended March 31, 2013
<b>C. Cash flow from financing activities:</b>		
Dividend paid	(1,175)	(889)
Dividend distribution tax	(200)	(144)
Interest paid	(420)	(534)
Proceeds from long term borrowings	–	1,307
Proceeds from working capital and other loans repayable on demand (net)	(675)	(346)
Proceeds from other short term borrowings	–	1,800
Repayment of long term borrowings	(974)	(731)
Repayment of other short term borrowings	(678)	(2,467)
<b>Net cash used in financing activities</b>	<b>(4,122)</b>	<b>(2,004)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(478)</b>	<b>453</b>
<b>Net Cash and Cash equivalents at the beginning of the year</b>	<b>643</b>	<b>191</b>
<b>Cash and cash equivalents as at current year closing</b>	<b>165</b>	<b>644</b>
<b>Cash and cash equivalents comprise</b>		
Cash on hand	11	13
Cheques / drafts on hand	8	22
Balances with banks	146	608
<b>Cash and cash equivalents as per Balance Sheet</b>	<b>165</b>	<b>643</b>
Effect of exchange differences on balances with banks in foreign currency*	0	1
<b>Total</b>	<b>165</b>	<b>644</b>

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

Notes:

- The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard - 3 on "Cash Flow Statement" notified in Companies (Accounting Standards Rule) 2006.
- Figures in brackets indicate Cash Outflow.

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

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

**RAJIB CHATTERJEE**

Partner  
M.No.: 057134

Place: Noida  
Date : May 22, 2014

For and on behalf of the Board

**V.C. SEHGAL**  
Chairman

**NORIYO NAKAMURA**  
Director

**PANKAJ MITAL**  
Chief Operating Officer

**G.N. GAUBA**  
Chief Financial Officer &  
Company Secretary

# Notes to the financial statements

(All amounts are in ₹ Million, unless otherwise stated)

## 1. General Information

Motherson Sumi Systems Limited is incorporated in India on 19<sup>th</sup> 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 Japan. The Company is a public limited company and is listed on the Bombay Stock Exchange, National Stock Exchange, Ahmedabad Stock Exchange and Delhi Stock Exchange. The Company is a joint venture entity between Samvardhana Motherson 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. Pursuant to circular 15/2013 dated 13.09.2013 read with circular 08/2014 dated 04.04.2014 till the standards of accounting or any addendum thereto are prescribed by the Central Government in consultation and recommendation of National Financial Reporting Authority, the existing accounting standards notified under the Companies Act, 1956 shall continue to apply. Consequently, 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 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 and non-current classification of assets and liabilities.

### 2.2 Tangible Assets

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

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

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

The cost of self-generated assets comprises of raw material, components, direct labour, other direct cost and related production overheads.

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.

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

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

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

# Notes to the financial statements

(All amounts are in ₹ Million, unless otherwise stated)

Asset	Range of Depreciation Rates
Leasehold land	Over the period of Lease
Freehold land	Nil
Leasehold improvements	Over the period of the lease
Building	1.63%-3.34%
Electric installation	10%
Plant and machinery	10.34%-25%
Furniture and fixtures	16.67%
Office equipment	16.67%
Computers	33.33%
Vehicles	25%

## 2.3 Intangible Assets

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

Asset	Rate (%)
Technical Knowhow Fees	33.33
Software	33.33

## 2.4 Borrowing Costs

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

## 2.5 Impairment of Assets

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

## 2.6 Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to 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 & 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 2.2 for depreciation rates used for buildings.

## Notes to the financial statements

(All amounts are in ₹ Million, unless otherwise stated)

### 2.7 Inventories

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

### 2.8 Foreign Currency Translations and Derivative Instruments

#### 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

In the case of forward foreign exchange contracts where an underlying assets or liability exists, the difference between the forward rate and the exchange rate at the inception of the contract is recognized as income or expense over the life of the contracts. Profit and loss arising on cancellation or renewal of a forward contract is recognized as income or expense in the year in which such cancellation or renewal is made.

#### Derivative Instruments

Effective April 01, 2012, the Company adopted Accounting Standard-30 "Financial Instruments: Recognition and Measurement" issued by The Institute of Chartered Accountants of India to the extent the adoption does not contradict with the accounting standards notified under section 211 (3C) of the Companies Act, 1956 and other regulatory requirements. All derivative contracts (except for forward foreign exchange contracts where Accounting Standard 11 – Accounting for the effects of changes in foreign exchange rates applies) are fair valued at each reporting date.

Accordingly, these contracts are marked to market and corresponding gain or loss is accounted for in the Statement of Profit and Loss.

### 2.9 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 recognized once the related services are completed as per the terms of the Contract.

### 2.10 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 export incentives is recognized on an accrual basis.

#### Dividend

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



# Notes to the financial statements

(All amounts are in ₹ Million, unless otherwise stated)

## 2.11 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.

## 2.12 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.

## 2.13 Current and Deferred tax

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

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 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 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.

## Notes to the financial statements

(All amounts are in ₹ Million, unless otherwise stated)

### 2.14 Provisions and Contingent Liabilities

#### Provisions

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

#### Contingent Liabilities

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

### 2.15 Leases

#### As a lessee

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

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

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

#### As a lessor

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

### 2.16 Segment Reporting

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

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

### 2.17 Cash and Cash Equivalents

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

### 2.18 Earnings Per Share (EPS)

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

# Notes to the financial statements

(All amounts are in ₹ Million, unless otherwise stated)

## 3. Share Capital

	As At March 31, 2014	As At March 31, 2013
<b>Authorised</b>		
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
<b>Issued</b>		
881,919,360 <sup>1</sup> Equity Shares of ₹ 1/- each (Previous Year 587,946,240 Equity Shares of ₹ 1/- each)	882	588
<b>Subscribed and Paid up</b>		
881,919,360 <sup>1</sup> Equity Shares of ₹ 1/- each (Previous Year 587,946,240 Equity Shares of ₹ 1/- each)	882	588
<b>TOTAL</b>	<b>882</b>	<b>588</b>

<sup>1</sup> During the year the Company has made allotment of 293,973,120 equity shares of ₹ 1/- each (Previous year 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, 2014		As at March 31, 2013	
	Number	Amount	Number	Amount
Balance as at the beginning of the year	587,946,240	588	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.	-	-	4,420,360	4
Add: Bonus Shares issued during the year by capitalisation of Securities Premium Account/ Capital Redemption Reserve.	293,973,120	294	195,982,080	196
<b>Balance as at the end of the year</b>	<b>881,919,360</b>	<b>882</b>	<b>587,946,240</b>	<b>588</b>

### b. Rights, preferences and restrictions attached to Shares.

**Equity Shares :** 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, 2014.

	Aggregate No. of shares issued in last 5 years	Bonus Shares Allotted in the year ended				
		March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Equity shares allotted as fully paid bonus shares.	489,955,200	293,973,120	195,982,080	-	-	-

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

Equity Shares:	March 31, 2014		March 31, 2013	
	Number	%	Number	%
Samvardhana Motherson International Limited	318,531,564	36.12%	212,354,376	36.12%
Sumitomo Wiring Systems Limited	223,013,854	25.29%	148,675,903	25.29%

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 are in ₹ Million, unless otherwise stated)

### 4 Reserves and Surplus

	As at March 31, 2014	As at March 31, 2013
<b>Revaluation Reserve</b>		
Balance as at the beginning of the year	96	96
Additions during the year	-	-
<b>Balance as at the end of the year</b>	96	96
<b>Reserve on Amalgamation</b>		
Balance as at the beginning of the year	1,663	1,663
Additions during the year	-	-
<b>Balance as at the end of the year</b>	1,663	1,663
<b>Securities Premium Account</b>		
Balance as at the beginning of the year	3,370	3,566
Utilisation during the Year <sup>1</sup>	(144)	(196)
<b>Balance as at the end of the year</b>	3,226	3,370
<b>General Reserve</b>		
Balance as at the beginning of the year	2,703	2,203
Transfer from Statement of Profit and Loss	600	500
Additions during the year	-	-
Deletions during the year	-	-
<b>Balance as at the end of the year</b>	3,303	2,703
<b>Surplus in Statement of Profit &amp; Loss</b>		
Balance as at the beginning of the year	7,605	4,785
Profit for the year	5,351	4,696
Transfer to General Reserve	(600)	(500)
Proposed dividend	(2,205)	(1,176)
Tax on dividend	(375)	(200)
<b>Balance as at the end of the year</b>	9,776	7,605
<b>Capital Redemption Reserve</b>		
Balance as at the beginning of the year	150	150
Utilisation during the year <sup>1</sup>	(150)	-
<b>Balance as at the end of the year</b>	-	150
<b>Capital Reserve</b>		
Balance as at the beginning of the year	65	-
Additions during the year <sup>2</sup>	47	65
Deletion during the year	(2)	-
<b>Balance as at the end of the year</b>	110	65
<b>TOTAL</b>	<b>18,174</b>	<b>15,652</b>

<sup>1</sup> During the year the company has made allotment of 293,973,120 equity shares of ₹ 1/- each (Previous Year 195,982,080 equity shares of ₹ 1/- each as bonus shares by capitalisation of Securities Premium Account and Capital Redemption Reserve Account).

<sup>2</sup> Being subsidy of ₹ 47 million under Rajasthan Promotion Scheme 2010 w.r.t. units at Rajasthan (Previous year ₹ 65 million 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 "Accounting for Government Grants", notified under section 211(3C) [Companies (Accounting Standards) Rule, 2006, as amended.]

# Notes to the financial statements

(All amounts are in ₹ Million, unless otherwise stated)

## 5 Long Term Borrowings

	Non Current Portion		Current Maturities	
	As At March 31, 2014	As At March 31, 2013	As At March 31, 2014	As At March 31, 2013
<b>Secured</b>				
Term loans				
Foreign currency Loan from banks	3,408	3,983	989	902
Indian rupee loan from other than banks	14	26	12	13
<b>Unsecured</b>				
Term loans				
Foreign currency Loan from banks	799	1,086	399	-
Less : Disclosed under Other Current Liabilities(Refer Note 11)			1,400	915
<b>TOTAL</b>	<b>4,221</b>	<b>5,095</b>	<b>-</b>	<b>-</b>

### a) Secured Loans

Nature of Security(In case of Secured Loans)	Terms of Repayment
Foreign Currency Loans from banks 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). ₹ Nil (Previous year : ₹ 210 million)</p> <p>2) ₹ 359 million is repayable in 3 half yearly installments till July 2015 (Previous year : ₹ 542 million)</p> <p>3) ₹ 225 million is repayable in 6 quarterly installments till September 2015 (Previous year : ₹ 340 million)</p> <p>4) ₹ 262 million is repayable in 7 quarterly installments till December 2015 (Previous year : ₹ 373 million)</p> <p>5) ₹ 1,378 million is repayable in 9 half yearly installments till August 2018.(Previous Year : ₹ 1,357 million)</p> <p>6) ₹ 779 million is repayable in 8 half yearly installments till February 2018.(Previous Year : ₹ 760 million)</p> <p>7) ₹ 315 million is repayable in 7 half yearly installments till August 2017.(Previous Year : ₹ 326 million)</p> <p>8) ₹ 1,079 million is repayable in 4 half yearly installments starting from March 2017 till September 2018. (Previous Year : ₹ 977 million)</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 2.1% 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 ₹ 26 million (Previous year : ₹ 37 million) from other than banks is secured against land acquired from Noida Authority under the installment plan.	Repayable in 4 half yearly installments till December 2015 carrying interest @11% p.a.
Rupee loan amounting to ₹ Nil (Previous year : ₹ 2 million) from other than banks is secured against the vehicles purchased against such loan.	Fully repaid in 2013-2014 carrying interest @8.5%.

### b) Unsecured Loans

Nature of Security(In case of Secured Loans)	Terms of Repayment
The Company has given a negative lien on the assets purchased out of the said facility	₹ 1,198 million repayable in 3 yearly installments starting January 2015 till January 2017(Previous year ₹ 1,086 million)



## Notes to the financial statements

(All amounts are in ₹ Million, unless otherwise stated)

### 6 Deferred Tax Liabilities(Net)

	As At March 31, 2014	As At March 31, 2013
<b>Deferred tax liabilities</b>		
<b>Depreciation</b>		
<b>Opening Balance</b>	<b>250</b>	<b>247</b>
Increase /(Decrease) during the year	(67)	3
<b>Closing Balance</b>	<b>183</b>	<b>250</b>
<b>Deferred tax assets</b>		
Expenses charged in the financial statements but allowable as deductions in future years under the Income Tax Act(to the extent considered realisable)		
<b>Opening Balance</b>	<b>73</b>	<b>33</b>
Increase /(Decrease) during the year	(5)	40
<b>Closing Balance</b>	<b>68</b>	<b>73</b>
<b>TOTAL</b>	<b>115</b>	<b>177</b>

### 7 Other Long Term Liabilities

	As At March 31, 2014	As At March 31, 2013
<b>Trade Payables</b>		
Total Outstanding Dues of Micro and Small Enterprises	-	-
Total Outstanding Creditors other than Micro and Small Enterprises	10	10
<b>Others</b>		
Retention money	4	27
Security deposits received	70	75
Advance recovery from employees	59	40
<b>TOTAL</b>	<b>143</b>	<b>152</b>

### 8 Long Term Provisions

	As At March 31, 2014	As At March 31, 2013
Provision for employee benefits	146	147
<b>TOTAL</b>	<b>146</b>	<b>147</b>

### 9 Short Term Borrowings

	As At March 31, 2014	As At March 31, 2013
<b>Secured</b>		
Working Capital Loans <sup>1</sup>		
Repayable on demand- from banks		
Indian rupee loan	1,239	368
Other Short Term Loans -from banks		
Indian rupee loan	718	1,761
Foreign currency loan	-	706
<b>Unsecured</b>		
Loans from banks		
Indian rupee loan	-	418
Other Loans- repayable on demand		
Indian rupee loan from a related party	-	10
<b>TOTAL</b>	<b>1,957</b>	<b>3,263</b>

<sup>1</sup> 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.

# Notes to the financial statements

(All amounts are in ₹ Million, unless otherwise stated)

## 10 Trade Payables

	As At March 31, 2014	As At March 31, 2013
Total Outstanding Dues of Micro and Small Enterprises(Refer Note 35)	14	54
Total Outstanding Creditors other than Micro and Small Enterprises	4,350	4,724
<b>TOTAL</b>	<b>4,364</b>	<b>4,778</b>

## 11 Other Current Liabilities

	As At March 31, 2014	As At March 31, 2013
<b>Other current liabilities</b>		
Current maturities of long term debt(Refer Note 5)	1,400	915
Interest accrued but not due on borrowings	19	22
Unpaid dividends(Refer note(a) below)	13	11
Employee Benefit Payable	501	377
Statutory dues including Provident Fund and tax Deducted at Source	300	345
Advances received from customers	886	643
Security Deposit Received	3	2
Advance recovery from employees	33	26
<b>TOTAL</b>	<b>3,155</b>	<b>2,341</b>

(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.

## 12 Short Term Provisions

	As At March 31, 2014	As At March 31, 2013
Provision for employee benefits		
Provision for gratuity(Refer Note 27)	54	93
Provision for compensated absences	60	35
Other Provisions		
Provision for warranties(Refer Note 44)	4	4
Provision for litigations(Refer Note 44)	17	20
Provision for dividend on equity shares	2,205	1,176
Provision for dividend tax on equity shares	375	200
Provision for income tax(Net of Advance Tax of ₹ 7,638 million (Previous Year ₹ 5,415 million))	770	681
Provision for wealth tax	2	2
<b>TOTAL</b>	<b>3,487</b>	<b>2,211</b>

## Notes to the financial statements

(All amounts are in ₹ Million, unless otherwise stated)

### 13 Fixed Assets

Particulars	GROSS BLOCK				DEPRECIATION / AMORTIZATION					NET BLOCK		
	As at April 1, 2013	Additions during the year <sup>2</sup>	Disposals	Other Adjustments	As at March 31, 2014	Upto 01.04.2013	Depreciation for the Year <sup>1,2</sup>	Depreciation/ Sale/ Adjustments	Other Adjustments	Upto March 31, 2014	As at March 31, 2014	As at March 31, 2013
<b>Tangible Assets</b>												
<b>Own Assets</b>												
Lease hold Land	1,199	24	-	-	1,223	79	13	0	-	92	1,131	1,120
Free hold Land	1,044	-	-	9	1,035	-	-	-	-	-	1,035	1,044
Leasehold improvements	10	43	-	-	53	3	8	-	-	11	42	7
Buildings	5,968	164	12	-	6,120	890	201	12	(0)	1,079	5,041	5,078
Plant & Machinery	13,060	1,343	121	0	14,282	6,432	1,154	97	-	7,489	6,793	6,628
Furniture & Fixtures	91	60	4	-	147	62	14	4	-	72	75	29
Office Equipment	156	47	10	(0)	193	103	19	9	(0)	113	80	53
Computers	352	23	6	-	369	290	42	6	-	326	43	62
Vehicles	405	23	79	-	349	260	71	72	-	259	90	145
<b>TOTAL OWN ASSETS</b>	<b>22,285</b>	<b>1,727</b>	<b>232</b>	<b>9</b>	<b>23,771</b>	<b>8,119</b>	<b>1,522</b>	<b>200</b>	<b>(0)</b>	<b>9,441</b>	<b>14,330</b>	<b>14,166</b>
<b>TOTAL TANGIBLE ASSETS</b>	<b>22,285</b>	<b>1,727</b>	<b>232</b>	<b>9</b>	<b>23,771</b>	<b>8,119</b>	<b>1,522</b>	<b>200</b>	<b>-</b>	<b>9,441</b>	<b>14,330</b>	<b>14,166</b>
Previous Year	18,987	3,734	193	243	22,285	6,823	1,444	145	3	8,119	14,166	12,164
<b>Intangible Assets</b>												
Software	54	-	-	-	54	29	13	-	-	42	12	25
Technical Knowhow fees	14	-	-	-	14	9	3	-	-	12	2	5
<b>TOTAL INTANGIBLE ASSETS</b>	<b>68</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>68</b>	<b>38</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>54</b>	<b>14</b>	<b>30</b>
Previous Year	33	14	-	(21)	68	20	16	-	(2)	38	30	13
<b>GRAND TOTAL</b>	<b>22,353</b>	<b>1,727</b>	<b>232</b>	<b>9</b>	<b>23,839</b>	<b>8,157</b>	<b>1,538</b>	<b>200</b>	<b>-</b>	<b>9,495</b>	<b>14,344</b>	<b>14,196</b>
Previous Year	19,020	3,748	193	222	22,353	6,843	1,460	145	1	8,157	14,196	12,177

<sup>1</sup> Includes impairment loss amounting to ₹ Nil (Previous Year ₹ 60 million) recognized during the year.

<sup>1</sup> Includes reversal of excess impairment loss of ₹ 10 million (Previous Year ₹ Nil) provided in previous year.

<sup>2</sup> Includes depreciation of ₹ 9 million (Previous year ₹ 9 million) capitalized during the year on assets used for the creation of self generated assets (Moulds) included in the head Plant & Machinery. (Refer Note. 30)

# Notes to the financial statements

(All amounts are in ₹ Million, unless otherwise stated)

## 14 Non Current Investments

	As At March 31, 2014	As At March 31, 2013
<b>Investment property (at cost less accumulated depreciation) <sup>1</sup></b>		
Cost of land and building given on operating lease	237	237
Less : Accumulated depreciation	7	6
<b>Net Block (A)</b>	<b>230</b>	<b>231</b>
<b>Trade Investment (unquoted instruments valued at cost unless stated otherwise):</b>		
<b>(Long Term Investments)</b>		
<b>Investment in Subsidiaries :</b>		
<b>MSSL Mauritius Holdings Limited</b>		
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 million (Previous year : ₹ 110 million).		
<b>MSSL Mideast(FZE)</b>		
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 :25,575,000) of Euro 1 each fully paid up.	1,610	1,610
<b>MSSL Handels GmbH</b>		
1 equity share (Previous year :1) of Euro 35,000 fully paidup	-	-
Net of provision for other than temporary diminution aggregating to ₹ 2 million (Previous year : ₹ 2 million).		
<b>Motherson Electrical Wires Lanka Private Limited</b>		
1,456,202 equity shares (Previous year : 1,456,202) of SriLankan ₹ 10/- each fully paid up	7	7
<b>MSSL(S) PTE Ltd.</b>		
14,554,700 equity shares (Previous year :7,034,000) of SGD 1/- each fully paid up	673	309
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
<b>Samvardhana Motherson Polymers Limited</b>		
522,750 equity shares (Previous year :522,750) of ₹ 10/- each fully paid up.	5	5
1,351,500 equity shares (Previous year :1,351,500) of ₹ 10/- each fully paid up at a premium of ₹ 190/- per share.	270	270
<b>SMR Automotive Systems India Limited</b>		
6,712,990 equity shares (Previous year : 6,712,990) of ₹ 10/- each fully paid up.	67	67
<b>MSSL Automobile Component Limited</b>		
50,000 equity shares (Previous year:50,000) of ₹ 10/- each fully paid up.	1	1
<b>(B)</b>	<b>5,002</b>	<b>4,638</b>
<b>Investment in joint ventures :</b>		
<b>Woco Motherson Elastomer Limited</b>		
1,139,333 equity shares (Previous year :1,139,333) of ₹ 10/- each fully paid up.	11	11
<b>Woco Motherson Advanced Rubber Technologies Limited</b>		
666,667 equity shares (Previous year : 666,667) of ₹ 10/- each fully paid up.	7	7
<b>Samvardhan Motherson Nippisun Technology Limited</b>		
4,455,000 equity shares(Previous year :Nil) of ₹ 10/- each fully paid up.	45	-

## Notes to the financial statements

(All amounts are in ₹ Million, unless otherwise stated)

	As At March 31, 2014	As At March 31, 2013
<b>Kyungshin Industrial Motherson Limited</b>	86	86
8,600,000 equity shares(Previous year :8,600,000) of ₹ 10/- each fully paid up.		
<b>Calsonic Kansei Motherson Auto Products Limited</b>	400	119
21,899,157 equity shares(Previous year:11,907,000) of ₹ 10/- each fully paid up.		
9,031,679 equity shares(Previous year: Nil) of ₹ 10/- each fully paid up at a premium of ₹ 10 per share		
<b>(C)</b>	<b>549</b>	<b>223</b>
<b>Investment in associates :</b>		
<b>Saks Ancillaries Limited</b>	11	11
1,000,000 equity shares(Previous year:1,000,000) of ₹ 10/- each fully paid up.		
<b>(D)</b>	<b>11</b>	<b>11</b>
<b>Others investments(Unquoted Instruments valued at cost):</b>		
<b>(Long Term Investments)</b>		
<b>Motherson Air Travel Agencies Limited</b>	1	1
120,000 equity shares(Previous year:120,000) of ₹ 10/- each fully paid up.		
<b>Motherson Sumi Infotech &amp; Designs Limited</b>		
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
<b>Green Infra Wind Power Projects Limited</b>		
120,000 Equity shares(Previous year:120,000) of ₹10/- each fully paid up.	1	1
<b>(E)</b>	<b>29</b>	<b>29</b>
<b>TOTAL (A+B+C+D+E)</b>	<b>5,821</b>	<b>5,132</b>
Aggregate amount of unquoted investments	5,821	5,132
Aggregate provision for diminution in value of investments	112	112

<sup>1</sup> Includes freehold land amounting to ₹ 182 million and building having gross block of ₹ 40 million which is reclassified by the company during the previous year as investment property under non current investments as the same has now been let out for earning rental income.

### 15 Long Term Loans and Advances

	As At March 31, 2014	As At March 31, 2013
Unsecured considered good (unless otherwise stated)		
Capital advances	482	473
Security deposits	320	194
Loans and advances to related parties		
Considered good	1,560	1
Considered doubtful <sup>1</sup>	6	6
Less: Provision for doubtful loans and advance to related parties <sup>1</sup>	(6)	(6)
Housing loan to employees	28	26
Prepaid expenses	29	61
Balances with Government Authorities	35	47
<b>TOTAL</b>	<b>2,454</b>	<b>802</b>

<sup>1</sup> The above includes advances amounting to ₹ 6 million(Previous year ₹ 6 million) given to a wholly owned subsidiary MSSL Handels GmbH "in Liqu".



# Notes to the financial statements

(All amounts are in ₹ Million, unless otherwise stated)

## 16 Other Non Current Assets

	As At March 31, 2014	As At March 31, 2013
Long Term deposits with banks with maturity period more than 12 months (refer note(a) below)	3	9
Others		
– Others Receivable(Capital subsidy)	26	-
<b>TOTAL</b>	<b>29</b>	<b>9</b>

a) held as lien by Government Authorities against bank guarantees

## 17 Current Investments

Particulars	As At March 31, 2014	As At March 31, 2013
<b>At cost or market value, whichever is less</b>		
<b>Quoted</b>		
<b>HDFC Bank Limited.</b>	0	0
2,035 equity shares(Previous year :2,035) of ₹ 2/- each fully paid up		
<b>Balrampur Chini Mills Limited</b>	0	0
1,200 equity shares(Previous year :1,200) of ₹ 1/- each fully paid up		
<b>Jaysynth Dyechem Limited</b>	0	0
100 equity shares(Previous year:100) of ₹ 10/- each fully paid up		
<b>GIVO Limited</b>	0	0
28,475 equity shares(Previous year :28,475) of ₹ 10/- each fully paid up		
<b>Mahindra &amp; Mahindra Limited</b>	0	0
3,644 equity shares(Previous year:3,644) of ₹ 5/- each fully paid up		
<b>Pearl Engineering Polymers Limited</b>	-	-
3,160 equity shares(Previous year :3,160) of ₹ 10/- each fully paid up		
<b>Inox Leasing and Finance Limited</b>	-	-
100 equity shares(Previous year :100) of ₹ 10/- each fully paid up		
<b>Daewoo Motors Limited</b>	-	-
6,150 equity shares(Previous year :6,150) of ₹ 10/- each fully paid up		
<b>Athena Financial Services Limited</b>	-	-
66 equity shares(Previous year : 66) of ₹ 10/- each fully paid up		
<b>Inapex Auto Export P Limited</b>	-	-
Nil equity shares(Previous Year: 60,000) of ₹ 10/- each fully paid up		
<b>Arcotech Limited</b>	0	0
200 equity shares(Previous Year :200) of ₹ 10/- each fully paid up		
<b>Electrolux Kelvinator India Limited</b>	-	-
1,250 equity shares(Previous year :1,250) of ₹ 10/- each fully paid up		
<b>TOTAL</b>	<b>0</b>	<b>0</b>
Aggregate amount of quoted investments	0	0
Market value of quoted investments	5	5

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

## Notes to the financial statements

(All amounts are in ₹ Million, unless otherwise stated)

### 18 Inventories

	As At March 31, 2014	As At March 31, 2013
Raw materials	2,594	2,499
Raw materials in transit	592	631
Work in progress	1,213	1,082
Finished goods	812	702
Finished goods in transit	157	127
Stock-in-trade	252	371
Stores and spares	8	8
<b>TOTAL</b>	<b>5,628</b>	<b>5,420</b>

### 19 Trade Receivables

	As At March 31, 2014	As At March 31, 2013
<b>Unsecured, considered good</b>		
Outstanding for a period exceeding six months from the date they are due for payment	76	31
Others	5,678	5,433
<b>Unsecured, considered doubtful</b>		
Outstanding for a period exceeding six months from the date they are due for payment	4	15
Less: Provision for doubtful receivables	(4)	(15)
<b>TOTAL</b>	<b>5,754</b>	<b>5,464</b>

### 20 Cash and Bank Balances

	As At March 31, 2014	As At March 31, 2013
<b>Cash and Cash Equivalents</b>		
Balances with banks:		
In current accounts	146	107
Deposits with original maturity of less than three months	-	501
Cheques and drafts in hand	8	22
Cash on hand	11	13
	<b>165</b>	<b>643</b>
<b>Other bank balances</b>		
Deposits with original maturity for more than three months but less than twelve months	13	4
Unpaid dividend accounts	13	11
	<b>26</b>	<b>15</b>
<b>TOTAL</b>	<b>191</b>	<b>658</b>

# Notes to the financial statements

(All amounts are in ₹ Million, unless otherwise stated)

## 21 Short-Term Loans and Advances

	As At March 31, 2014	As At March 31, 2013
<b>Unsecured, considered good, unless otherwise stated:</b>		
Loans and Advances to related party	353	225
Other Loans and Advances		
Considered good	371	421
Considered doubtful	1	-
Less: Provision for doubtful advances	(1)	-
Prepaid expenses	72	69
Loans to employees	45	37
Balances with Government Authorities	944	1,012
Fringe Benefit Tax(Net)	-	1
<b>TOTAL</b>	<b>1,785</b>	<b>1,765</b>

## 22 Other Current Assets

	As At March 31, 2014	As At March 31, 2013
Other current receivables <sup>1</sup>	119	97
<b>TOTAL</b>	<b>119</b>	<b>97</b>
<b><sup>1</sup> Includes:</b>		
Capital subsidy	48	49
Other receivables	71	48
<b>TOTAL</b>	<b>119</b>	<b>97</b>

## 23 Revenue from Operations(Net)

	For the Year Ended March 31, 2014	For the Year Ended March 31, 2013
<b>Sales of Products</b>		
<b>Finished Goods</b>		
Within India	40,832	40,221
Outside India	7,000	5,797
<b>Traded Goods</b>	1,686	1,030
Sales of Services	301	404
Other operating revenue		
Scrap sales	175	194
Job work income	31	30
<b>GROSS TOTAL</b>	<b>50,025</b>	<b>47,676</b>
Less: Excise Duty	4,780	4,635
<b>NET TOTAL</b>	<b>45,245</b>	<b>43,041</b>

## Notes to the financial statements

(All amounts are in ₹ Million, unless otherwise stated)

### 24 Other Income

	For the Year Ended March 31, 2014	For the Year Ended March 31, 2013
Interest Income	93	50
Dividend Income		
From subsidiaries	536	330
From other non current investments	218	349
From other current investments *	0	0
Lease rentals	65	59
Change in carrying amount of current investments	1	-
Profit on sale of tangible assets(net)	31	46
Export Incentives	30	2
Liabilities no longer required written back	55	36
Profit on sale of Investments *	0	-
Miscellaneous Income	54	43
<b>TOTAL</b>	<b>1,083</b>	<b>915</b>

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

### 25 Cost of Materials Consumed

	For the Year Ended March 31, 2014	For the Year Ended March 31, 2013
Opening stock of raw materials	2,499	2,322
Add : Purchases of raw materials	24,320	25,016
Less: Closing stock of raw materials	(2,594)	(2,499)
	<b>24,225</b>	<b>24,839</b>

### 26 Changes In inventory of finished goods and work In progress

	For the Year Ended March 31, 2014	For the Year Ended March 31, 2013
(Increase) / decrease in stocks		
Stock at the Opening of the year:		
Finished goods	829	606
Work-in-progress	1,082	1,009
Stock-in-trade	371	118
	<b>2,282</b>	<b>1,733</b>
Less: Stock at the end of the year		
Finished goods	(969)	(829)
Work-in-progress	(1,213)	(1,082)
Stock-in-trade	(252)	(371)
	<b>(2,434)</b>	<b>(2,282)</b>
<b>(Increase) / decrease in stocks</b>	<b>(152)</b>	<b>(549)</b>

### 27 Employee Benefits Expense

	For the Year Ended March 31, 2014	For the Year Ended March 31, 2013
Salary, Wages & Bonus	4,282	3,700
Contribution to Provident & Other Funds [Refer Note(A) below]	242	205
Gratuity [Refer note(B) below]	37	114
Staff Welfare Expenses	414	373
<b>TOTAL</b>	<b>4,975</b>	<b>4,392</b>

# Notes to the financial statements

(All amounts are in ₹ Million, unless otherwise stated)

## A) 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.

### Amount recognized in statement of Profit & Loss

	Year ended March 31, 2014	Year ended March 31, 2013
Provident Fund paid to authorities	200	167
Employee State Insurance paid to the authorities	42	38
<b>Total</b>	<b>242</b>	<b>205</b>

## (B) 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, 2014	March 31, 2013
<b>Obligations at year beginning</b>	<b>367</b>	<b>247</b>
Service Cost-Current	44	43
Interest Cost	31	20
Actuarial (gain)/loss	(9)	70
Benefit Paid	(12)	(13)
<b>Obligations at year end</b>	<b>421</b>	<b>367</b>

### (ii) Fair Value of Plan Assets

	March 31, 2014	March 31, 2013
<b>Plan assets at year beginning, at fair value</b>	<b>274</b>	<b>216</b>
Expected return on plan assets	25	20
Actuarial gain/(loss)	4	(1)
Contributions by the Company	76	52
Benefits Paid	(12)	(13)
<b>Plan assets at year end, at fair value</b>	<b>367</b>	<b>274</b>

### (iii) Major Category of Plan Assets as % to total Plan Assets

	March 31, 2014	March 31, 2013
LIC of India	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>

Note: In respect of Employees Gratuity Fund, contribution of plan assets is not readily available from LIC of India. 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.

### (iv) Assets and Liabilities recognized in the Balance Sheet

	March 31, 2014	March 31, 2013
Present Value of defined benefit obligations	421	367
Fair Value of the plan assets	(367)	(274)
<b>Amount recognized as Liability</b>	<b>54</b>	<b>93</b>



## Notes to the financial statements

(All amounts are in ₹ Million, unless otherwise stated)

### Recognized under:

	March 31, 2014	March 31, 2013
Short Term Provision (Refer Note 12)	54	93

### (v) Expenses Recognised in the Statement of Profit & Loss

	March 31, 2014	March 31, 2013
Service Cost-Current	44	43
Interest Cost	31	20
Expected return on plan assets	(25)	(20)
Actuarial (gain)/loss	(13)	71
<b>Total Expenses</b>	<b>37</b>	<b>114</b>

### (vi) Actuarial Assumptions:

	March 31, 2014	March 31, 2013
Discount Rate	9.07%	8.30%
Future salary increases	8.00%	8.00%
Expected return on plan assets	8.98%	9.40%

Estimate of future salary increases considered in actuarial valuation takes 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, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Defined benefit obligations	421	367	247	183	134
Plan assets	(367)	(274)	(216)	(144)	(109)
<b>Deficit / (Surplus)</b>	<b>54</b>	<b>93</b>	<b>31</b>	<b>39</b>	<b>25</b>

### (viii) Expected Contribution to the Fund in the next year

	Year ended March 31, 2014	Year ended March 31, 2013
Gratuity	76	77

## (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:

### (i) Present Value of Defined Benefit Obligation

	March 31, 2014	March 31, 2013
<b>Obligations at year beginning</b>	155	97
Service Cost – Current	25	29
Interest Cost	13	8
Actuarial (gain) / loss	(9)	33
Benefit Paid	(14)	(12)
<b>Obligations at year end</b>	<b>170</b>	<b>155</b>

### (ii) Assets and Liabilities recognized in the Balance Sheet

	March 31, 2014	March 31, 2013
<b>Present Value of defined benefit obligations</b>	170	155
Fair Value of the plan assets	-	-
<b>Amount recognized as Liability</b>	<b>170</b>	<b>155</b>

# Notes to the financial statements

(All amounts are in ₹ Million, unless otherwise stated)

## Recognized under:

	March 31, 2014	March 31, 2013
Long Term Provision (Refer Note 8)	146	147
Short Term Provision	24	8

## (iii) Expenses Recognized in the Statement of Profit & Loss

	March 31, 2014	March 31, 2013
Service Cost-Current	25	29
Interest Cost	13	8
Expected return on plan assets	-	-
Actuarial (gain)/loss	(9)	33
<b>Total Expenses</b>	<b>29</b>	<b>70</b>

## (iv) Actuarial Assumptions:

	March 31, 2014	March 31, 2013
Discount Rate	9.07%	8.30%
Future salary increases	8.00%	8.00%

Estimate of future salary increases considered in actuarial valuation takes 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, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Defined benefit obligations	170	155	97	58	42
Plan assets	-	-	-	-	-
<b>Deficit /(Surplus)</b>	<b>170</b>	<b>155</b>	<b>97</b>	<b>58</b>	<b>42</b>

## 28 Other Expenses

	For the Year Ended March 31, 2014	For the Year Ended March 31, 2013
Electricity, water and fuel	946	864
Repairs and Maintenance:		
Machinery	422	365
Building	364	319
Others	217	175
Consumption of stores and spare parts	478	391
Conversion charges	316	306
Excise duty expenses <sup>1</sup>	3	18
Lease rent (operating leases) (Refer Note 46)	219	120
Rates and taxes	30	45
Insurance	63	56
Net loss on foreign currency transaction and translation	387	197
Donation	19	13
Travelling	481	425
Freight and forwarding	680	721
Royalty	252	220
Cash Discount	130	132
Commission	13	6
Diminution in value of current investment *	-	0
Bad Debts/Advances written off *	0	11
Doubtful Debts/Advances	3	-

## Notes to the financial statements

(All amounts are in ₹ Million, unless otherwise stated)

	For the Year Ended March 31, 2014	For the Year Ended March 31, 2013
Payment to auditors(Refer Note 49)	42	45
Legal and professional expenses	605	466
Miscellaneous expenses	1,010	887
<b>TOTAL</b>	<b>6,680</b>	<b>5,782</b>

<sup>1</sup> Includes excise duty related to the differences between the closing stock and the opening stock.

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

### 29 Finance Costs

	For the Year Ended March 31, 2014	For the Year Ended March 31, 2013
Interest Expense		
Interest on long term borrowings	165	178
Other borrowings	194	310
Other borrowing costs	58	47
<b>TOTAL</b>	<b>417</b>	<b>535</b>

### 30 Depreciation and Amortization Expense

	For the Year Ended March 31, 2014	For the Year Ended March 31, 2013
Depreciation on Tangible assets (Refer Note 13)	1,522	1,444
Amortization on Intangible assets (Refer Note 13)	16	16
Depreciation on Investment property (Refer Note 14)	1	2
Less : Capitalised during the year <sup>1</sup>	9	9
<b>TOTAL</b>	<b>1,530</b>	<b>1,453</b>

<sup>1</sup> Depreciation on assets used for creation of self generated assets. (Refer Note. 13)

### 31 Proposed Dividend

	For the Year Ended March 31, 2014	For the Year Ended March 31, 2013
On Equity shares of ₹ 1 each		
Amount of dividend proposed	2,205	1,176
Dividend per equity share	₹ 2.50 per share	₹ 2.00 per share

### 32. Contingent Liabilities

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Claims against the Company not acknowledge as debts*</b>		
a) Excise Matters	46	50
b) Sales Tax Matters	98	60
c) Service Tax Matters	37	29
d) Stamp Duty	5	5
e) Claims made by Workmen	18	9
f) Income Tax Matters	55	32

\* Against which Company has given bank guarantee amounting to ₹ 33 million (Previous Year ₹ 32 million)

## Notes to the financial statements

(All amounts are in ₹ Million, unless otherwise stated)

(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:

Particulars	As at March 31, 2014	As at March 31, 2013
Employees Remuneration and Benefits	100	85
Other Expenses of Manufacturing and Administration	47	45
Capital Expenditure	19	60

### 34. Capital and Other Commitments

Particulars	As at March 31, 2014	As at March 31, 2013
<b>(a) Capital Commitments</b>		
Estimated value of contracts in capital account remaining to be executed (net of advances of ₹ 482 million (Previous Year ₹ 473 million))	951	322
<b>Total</b>	<b>951</b>	<b>322</b>
<b>(b) Other Commitments</b>		
The Company has given corporate guarantees in respect of :		
i) Subsidiary Companies	13,505	12,507

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

### 35. Due to Micro and Small Enterprises

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:

Particulars	As at March 31, 2014	As at March 31, 2013
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	14	54
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	28	-
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	-	-

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

## Notes to the financial statements

(All amounts are in ₹ Million, unless otherwise stated)

### 36. Derivative instruments and unhedged foreign currency exposure

#### a. Derivatives outstanding as at the reporting date

Particulars	Currency	As at March 31, 2014	As at March 31, 2013
Hedge of external commercial borrowings and long term loans	USD : INR	USD 5 ; ₹ 322	USD 7 ; ₹ 387
	JPY : INR	-	JPY 115 ; ₹ 67
Sundry Creditors	JPY : INR	-	JPY 118 ; ₹ 69

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

Currency	As at March 31, 2014 Payable / (Receivable)	As at March 31, 2013 Payable / (Receivable)
EUR	(5)	(4)
GBP	#	#
JPY	813	1,063
USD	85	118
SGD	#	#
CHF	#	#
AUD	(1)	(1)
THB	11	5
AED	#	#
ZAR	(2)	#

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

#### c. Mark to market losses / (gain):

Particulars	As at March 31, 2014	As at March 31, 2013
Mark to Market losses/(Gain) provided for	(55)	(48)

### 37. Disclosure pursuant to the Clause 32 of the Equity Listing Agreement

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

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Loan to 100% Subsidiary : MSSSL Handels GmbH “in Liqu”</b>		
Balance as at year end	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

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Loan to Motherson Auto Limited in which Director is a member</b>		
Balance as at year end	100	100
Maximum amount outstanding at any time during the year	100	100



# Notes to the financial statements

(All amounts are in ₹ Million, unless otherwise stated)

## 38. CIF Value of Imports:

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Raw Materials and Components	15,407	13,100
Capital Goods	429	1,158
Store and Spares	184	134

## 39. Expenditure in foreign currency on account of:

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Royalty	252	220
Travelling	102	44
Interest	176	167
Professional Fee	165	112
Technical Assistance Fees	9	2
Lease Rent	9	12
Salaries and other Allowances	59	52
Others (includes training, bank charges, reimbursements etc.)	195	122

## 40. Earnings in foreign currency:

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
FOB Value of Exports <sup>1</sup>	7,274	5,985
Dividend Received from Subsidiary	536	330
Service Income	29	16
Miscellaneous Income	4	1

<sup>1</sup>Includes Deemed Exports of ₹ 299 million (Previous Year ₹ 353 million)

## 41. Dividend remitted in foreign currency:

### Dividend on Equity Share Capital

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
a) Amount remitted	302	226
b) Number of non-resident shareholders	3	3
c) No of equity shares held by such non-resident shareholders (in million)	151	101
d) Year to which dividend pertains	2012-13	2011-12

## 42. Details of Consumption and Purchases

### (a) Detail of Raw Material consumed during the year: (Refer Note 25)

	Year ended March 31, 2014	Year ended March 31, 2013
Raw Materials and Components		
a) Copper	5,657	5,645
b) Others *	18,568	19,194
<b>Total</b>	<b>24,225</b>	<b>24,839</b>

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

## Notes to the financial statements

(All amounts are in ₹ Million, unless otherwise stated)

### (b) Value of imported and indigenous materials consumed

#### A. Raw Materials and Components (Refer Note 25)

Particulars	Year ended March 31, 2014		Year ended March 31, 2013	
	(%)	Amount	(%)	Amount
Imported	65	15,750	54	13,526
Indigenous	35	8,475	46	11,313
<b>Total</b>	<b>100</b>	<b>24,225</b>	<b>100</b>	<b>24,839</b>

#### B. Stores and Spares (Refer Note 28)

Particulars	Year ended March 31, 2014		Year ended March 31, 2013	
	(%)	Amount	(%)	Amount
Imported	19	91	14	54
Indigenous	81	387	86	337
<b>Total</b>	<b>100</b>	<b>478</b>	<b>100</b>	<b>391</b>

### (c) Purchase of Stock-in-trade

Type of Products	Year ended March 31, 2014		Year ended March 31, 2013	
	(%)	Amount	(%)	Amount
Moulds & Tools	65	697	72	721
Automobile Components	35	372	28	286
<b>Total</b>	<b>100</b>	<b>1,069</b>	<b>100</b>	<b>1,007</b>

### 43. Earnings per share

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
<b>a) Basic</b>		
Net profit after tax available for equity Shareholders (₹ in Millions) <b>(A)</b>	5,351	4,696
Equity Shares outstanding at year end <sup>1</sup>	881,919,360	587,946,240
Add: Bonus Shares issued by capitalization of Securities Premium/ Capital Redemption Reserve on December 24, 2013 adjusted	-	293,973,120
Weighted Average number of equity shares used to compute basic earnings per share <b>(B)</b>	881,919,360	881,919,360
Basic Earnings (in Rupees) Per Share of ₹ 1/- each. (Previous Year ₹ 1/- each) <b>(A/B)</b>	6.07	5.33
<b>b) Diluted</b>		
Net profit after tax available for equity Shareholders (₹ in Million) <b>(A)</b>	5,351	4,696
Weighted Average number of equity shares used to compute basic earnings per share <b>(B)</b>	881,919,360	881,919,360
Diluted Earnings (in Rupees) Per Share of ₹ 1/- each. (Previous Year ₹/- each) <b>(A/B)</b>	6.07	5.33

<sup>1</sup> During the year, the Company has made allotment of 293,973,120 equity shares of ₹ 1/- each as bonus shares in proportion of one equity share for every two equity shares held. The same has been adjusted for both the period presented above.

# Notes to the financial statements

(All amounts are in ₹ Million, unless otherwise stated)

44. The Company has following provisions in the books of account as at year end:

Description	Warranty (Refer Note 1 below)		Litigations (Refer Note 2 below)	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Opening Balance	4	11	20	20
Provided during the year	7	8	1	-
Reversed during the year	-	5	4	-
Utilised during the year	7	10	-	-
<b>Closing Balance</b>	<b>4</b>	<b>4</b>	<b>17</b>	<b>20</b>

1. 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.
2. 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.

## 45. 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 "in Ligu."  
Motherson Electrical Wires Lanka Pvt. Ltd.  
MSSL Tooling (FZE)  
MSSL (S) Pte Ltd.  
MSSL (GB) Limited  
Motherson Wiring System (FZE)  
MSSL GmbH  
MSSL Polymers GmbH (till 26.08.2013 - merged with MSSL GmbH)  
MSSL Advanced Polymers s.r.o  
Motherson Orca Precision Technology GmbH  
MSSL s.r.l Unipersonale  
Samvardhana Motherson Invest Deutschland GmbH  
Motherson Techno Precision México, S.A. de C.V (incorporated on April 9, 2013)  
MSSL Australia Pty Ltd  
Motherson Elastomers Pty Limited  
Motherson Investments Pty Limited  
Global Environment Management (FZC)  
Global Environment Management Australia Pty Limited.  
MSSL Global RSA Module Engineering Limited  
MSSL Japan Limited  
Vacuform 2000 (Proprietary) Limited.  
MSSL México, S.A. De C.V.  
MSSL WH System (Thailand) Co., Ltd  
MSSL Korea WH Limited  
MSSL Automobile Component Ltd.

## Notes to the financial statements

(All amounts are in ₹ Million, unless otherwise stated)

Samvardhana Motherson Polymers Ltd.  
 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 Automotive (Langfang) Co. Ltd.  
 SMR Holding Australia Pty Limited  
 SMR Automotive Australia Pty Limited  
 SMR Automotive Mirror Technology Hungary Bt  
 SMR Grundbesitz GmbH & Co. KG  
 SMR Automotive Mirror Parts and Holdings UK Ltd.  
 SMR Automotive Mirrors UK Limited  
 SMR Automotive Services Portchester Ltd. (till 09.07.2013)  
 SMR Automotive Technology Valencia S.A.U.  
 SMR Automotive Mirrors Services UK Ltd.  
 SMR Automotive Technology Holdings USA Partners (till- 31.03.2014 - dissolved)  
 SMR Automotive Mirror International USA Inc.  
 SMR Automotive Systems USA Inc.  
 SMR Automotive Systems France S. A.  
 SMR Automotive Systems India Limited  
 SMR Automotive Yancheng Co. Limited  
 SMR Automotive Beijing Company Limited  
 SMR Automotive Mirror Technology Holding Hungary Kft  
 SMR Automotive Systems Spain S.A.U.  
 SMR Automotive Vision Systems Mexico S.A. de C.V.  
 SMR Automotive Servicios Mexico S.A. de C.V.  
 SMR Automotive Mirrors Stuttgart GmbH  
 SMR Patents S.aR.L.  
 SMR Automotive Beteiligungen Deutschland GmbH  
 SMR Automotive Brasil Ltda.  
 SMR Automotive System (Thailand) Limited  
 SMR Automotives Systems Macedonia Dooel Skopje  
 SMR Automotive Operations Japan K.K.  
 SMR Automotive Vision System Operations USA INC (Incorporated on 17.03.2014)  
 SMR Mirror UK Limited (Incorporated on 19.03.2014)  
 Samvardhana Motherson B.V.  
 Samvardhana Motherson Peguform GmbH  
 SMP Deutschland GmbH  
 SMP Logistik Service GmbH (earlier known as SMP Automotive Solutions  
 Personalleasings GmbH)  
 SMP Automotive Solutions Slovakia s.r.o  
 Changchun Peguform Automotive Plastics Technology Co. Ltd

# Notes to the financial statements

(All amounts are in ₹ Million, unless otherwise stated)

SMP Automotive Technology Management Services (Changchun) Co. Ltd.  
SMP Automotive Technology Iberica S.L  
Samvardhana Motherson Peguform Barcelona S.L.U (Earlier known as Peguform Module Division Iberica Cockpits S.L.)  
SMP Automotive Technologies Teruel Sociedad Limitada  
Samvardhana Motherson Peguform Automotive Technology Portugal S.A  
PAINTYES – Sociedade Portuguesa de Pintura, S.A. (till- 30.12.2013- merged with SMP Automotive Technology Portugal S.A.)  
SMP Automotive Systems Mexico S.A. de C.V  
SMP Tecnologia Parachoques S.A. de C.V.  
SMP Shock Absorber Fabrication Mexico S.A. de C.V  
SMP Automotive Produtos Automotivos do Brasil Ltda.  
Foshan Peguform Automotive Plastics Technology Co. Ltd.  
SMP Exterior Automotive GmbH (incorporated on 31.05.2013)  
SMP Automotive Interiors (Beijing) Co. Ltd (incorporated on 31.03.2014)

## 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)  
Chongqing SMR Huaxiang Automotive Products Limited (w.e.f. 08.08.2013) (Indirectly through Subsidiary)  
Celulosa Fabril (Cefa) S.A. (Zaragoza, ES) (Indirectly through Subsidiary)  
Modulos Rivera Alta S.L.U. (Indirectly through Subsidiary)  
Samvardhana Motherson Nippisun Technology Ltd (w.e.f. 11.09.2013)  
Eissmann SMP Automotive Interieur Slovensko s.r.o. (w.e.f. 31.03.2014)

### 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  
Maj. Gen. Amarjit Singh (Retd.)  
Mr. Arjun Puri  
Mr. Pankaj Mital  
Mr. S C Tripathi, IAS (Retd.)  
Mr. Gautam Mukherjee  
Ms. Geeta Mathur (w.e.f. 31.01.2014)  
Ms. Noriyo Nakamura (w.e.f. 31.01.2014)  
Mr. Hideaki Ueshima (till- 23.12.2013)



## Notes to the financial statements

(All amounts are in ₹ Million, unless otherwise stated)

Mr. S.P. Talwar (till- 23.05.2013)

### 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. Neelu Mehra (Sister of Mr.V.C. Sehgal)

Ms. Samriddhi Sehgal (Wife of Mr. Laksh Vaaman 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 (Partnership Firm)

Southcity Motors Limited

Motherson Techno Tools Limited

Motherson Techno Tools Mideast (FZE)

SWS India Management & Support Service (P) Limited

Vaaman Auto Industry (Partnership Firm)

Motherson Sumi INFotech and Designs Limited

Motherson Engineering Research and Integrated Technologies Limited

Moon Meadows Private Limited

Sisbro Motor and Workshop Private Limited

NACHI Motherson Tool Technology Limited

Motherson (Partnership Firm)

Samvardhana Motherson International Limited (also a joint venturer)

A Basic Concepts Design Pty. Limited

ATAR Mauritius Private Limited

Motherson Auto Solutions Limited

Motherson Machinery and Automations Limited

Spheros Motherson Thermal System Limited

Matsui Technologies India Limited

Motherson Moulds and Diecasting Limited

Anest Iwata Motherson Limited

Field Motor Limited

AES (India) Engineering Limited

Motherson Auto Engineering Service Ltd

Anest Iwata Motherson Coating Equipment Limited

Nissin Advanced Coating Indo Co. Limited.

Magnetti Marelli Motherson Holding India BV

# Notes to the financial statements

(All amounts are in ₹ Million, unless otherwise stated)

Magnetti Marelli Motherson Auto System Limited  
 Samvardhana Motherson Finance Services Cyprus Limited  
 Motherson Zanotti Refrigeration System Limited  
 Samvardhana Motherson Virtual Analysis Ltd.  
 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 Consultancies Service Limited (earlier known as 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  
 Advanced Technologies and Auto Resources Pte. Ltd.  
 Edcol Global Pte. Limited  
 Motherson Innovative Technologies and Research  
 Radha Rani Holdings Pte Ltd.  
 Sehgal's Trustee Company Private Limited (incorporated on 20.03.2014)  
 Nirvana Agro Products Private Limited (incorporated on 22.01.2014)

## e. Joint Venturer:

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

## Notes to the financial statements

(All amounts are 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 45 (I) above		Parties mentioned in 45 (II) (a) above		Parties mentioned in 45 (II) (b) & (d) above		Parties mentioned in 45 (II) (e) above		Parties mentioned in 45 (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	3,884	3,025	914	1,039	177	193	556	522	-	-
2	Rendering of Services	15	14	258	249	9	9	-	-	-	-
3	Rent Income	-	-	36	23	29	35	-	-	-	-
4	Sale of Fixed Assets	22	4	-	-	2	36	-	-	-	-
5	Purchase of Goods	1,003	828	36	39	947	1,017	775	643	-	-
6	Purchase of Fixed Assets	9	3	-	-	584	899	50	200	-	-
7	Purchase of Services	44	30	#	1	882	707	26	26	-	-
8	Rent Paid	-	-	-	-	142	54	-	-	4*	5*
9	Reimbursement Made	90	83	#	-	47	56	-	-	-	-
10	Reimbursements Received	36	32	2	-	1	2	-	-	-	-
11	Investments made during the year	364	1,209	325	-	-	-	-	-	-	-
12	Royalty	-	-	-	-	-	-	248	211	-	-
13	Remuneration/ Sitting Fees/ Commission of Directors & Key Management Person # #	-	-	-	-	-	-	-	-	34	28
14	Interest Income	54	-	1	-	10	21	-	-	-	-
15	Interest Expense	-	-	-	-	-	2	-	-	-	-
16	Dividend Paid	-	-	-	-	426	320	297	223	45**	34**
17	Dividend Received	536	330	215	347	3	2	-	-	-	-
18	Loans Received during the year	-	-	-	-	-	10	-	-	-	-
19	Loans Given during the year	1,485	-	25	-	-	-	-	-	-	-
20	Loans Repaid during the year	-	-	-	-	10	45	-	-	-	-
21	Loans Received back during the year	-	-	-	-	-	20	-	-	-	-
22	Security Deposits Received	-	-	1	-	#	-	-	-	-	-
23	Security Deposits Received Back	-	-	-	-	34	-	-	-	-	1
24	Security Deposits Given	-	-	-	-	88	87	-	-	-	-
25	Security Deposits Repaid	-	-	-	-	7	-	-	-	-	-

# Notes to the financial statements

(All amounts are in ₹ Million, unless otherwise stated)

S. No	Particulars	Parties mentioned in 45 (I) above		Parties mentioned in 45 (II) (a) above		Parties mentioned in 45 (II) (b) & (d) above		Parties mentioned in 45 (II) (e) above		Parties mentioned in 45 (II) (c) above	
		Current Year	Previous year	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year
Balances as at year end											
26	Investments	5,114	4,750	548	223	38	38	-	-	-	-
27	Loans Receivable (Including Interest Accrued)	1,540	7	26	-	100	100	-	-	-	-
28	Loans Payable	-	-	-	-	-	10	-	-	-	-
29	Advances Recoverable	41	30	4	1	240	94	3	-	-	-
30	Security Deposits Received	-	-	41	40	32	34	-	-	-	-
31	Security Deposits Given	-	-	-	-	169	113	-	-	-	-
32	Guarantees Closing	13,505	12,507	-	-	-	-	-	-	-	-
33	Trade Payables	208	169	7	4	310	350	137	242	-	-
34	Trade Receivables	985	787	147	17	42	148	42	36	-	-
35	Advances from Customers	26	25	#	#	-	-	1	1	-	-

The Company has given letters of support to its subsidiaries MSSL Mauritius Holdings Limited, Global Environment Management Australia Pty Ltd., MSSL Advanced Polymers s.r.o. and Vacuform 2000 (Proprietary) Limited to enable them to continue their operations.

\* Rent of ₹ 4 million (Previous Year ₹ 5 million) paid to Mr. V.C Sehgal, Mr. Laksh Vaaman Sehgal, Ms. Renu Sehgal, Ms. Vidhi Sehgal.

\*\* Dividend of ₹ 45 million (Previous Year ₹ 34 million) paid to Mr. V. C. Sehgal, Ms. Renu Sehgal, Ms. Neelu Mehra, Ms. Geeta Soni, Mr. Pankaj Mital, Mr. G.N. Gauba.

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

## The contribution to Gratuity and leave encashment has been made on group basis and separate figures applicable to any individual employee are not available. Therefore contribution to Gratuity and leave encashment has not been considered in above computation.

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

Nature	Party Name	2013-14	2012-13
		Amount	Amount
Sale of Goods	Kyungshin Industrial Motherson Limited	776	889
	Sumitomo Wiring Systems Limited	556	522
	MSSL Japan Limited	1,064	1,019
	SMR Automotive Mirror Technology Hungary Bt	907	512
Rendering of Services	Kyungshin Industrial Motherson Limited	247	249
Rent Income	Woco Motherson Elastomer Limited	11	11
	Calsonic Kansei Motherson Auto Products Limited	19	12
	Motherson Moulds and Diecasting Limited	9	8
	Magnetti Marelli Motherson Auto System Limited	8	5

## Notes to the financial statements

(All amounts are in ₹ Million, unless otherwise stated)

Nature	Party Name	2013-14	2012-13
		Amount	Amount
Sale of Fixed Assets	MSSL GmbH	18	-
	SMR Automotive Mirrors Stuttgart GmbH	3	-
Purchase of Goods	Motherson Electrical Wires Lanka Pvt. Ltd.	451	432
	Systematic Conscom Limited	268	263
	Edcol Global Pte. Limited	395	328
	Sumitomo Wiring Systems Limited	739	600
	MSSL (GB) Limited	382	310
Purchase of Fixed Assets	Systematic Conscom Limited	484	775
	CTM India Limited	23	29
Purchase of Services	Motherson Auto Limited	128	86
	Motherson Air Travel Agencies Ltd.	141	117
	Motherson Sumi INFotech & Designs Ltd	289	207
	Saks Ancillaries Limited	150	144
Rent Paid	Motherson Auto Limited	70	32
	Motherson Air Travel Agencies Ltd.	23	21
	Motherson Lease Solution Limited (formerly Style Motors Limited)	47	-
Reimbursement Made	MSSL (S) Pte Ltd	21	19
	MSSL (GB) Limited	24	18
	MSSL s r l Unipersonale	14	15
	Systematic Conscom Limited	25	28
	SMR Automotive Systems USA Inc	20	-
Reimbursement Received	MSSL Global RSA Module Engineering Limited	24	25
	SMP Deutschland GmbH	4	-
Investments made during the year	MSSL (S) Pte Ltd	364	306
	Calsonic Kansei Motherson Auto Products Limited	281	-
Royalty	Sumitomo Wiring Systems Limited	248	211
Remuneration / Sitting Fees/ Commission of Directors & Key Management Personnel	Mr. Pankaj Mital	11	9
	Mr. G. N. Gauba	10	9
	Mr. Sanjay Mehta	6	5
Interest Income	Motherson Auto Limited	10	21
	Samvardhana Motherson Polymers Ltd.	54	-
Interest Expense	Saks Ancillaries Limited	#	2
Dividend Paid	Samvardhana Motherson International Limited (formerly Samvardhana Motherson Finance Limited)	425	319
	Sumitomo Wiring Systems Limited	297	223
Dividend Received	Kyungshin Industrial Motherson Limited	215	301
	Motherson Electrical Wires Lanka Pvt. Ltd.	536	330
Loans Given during the year	Samvardhana Motherson Polymers Ltd.	1,485	-
Loans Repaid during the year	Saks Ancillaries Ltd.	10	45
Security Deposits Received	Woco Motherson Elastomer Limited	1	-
Security Deposits Received back	Motherson Auto Limited	34	-
Security Deposit Repaid/ Given	Motherson Lease Solution Limited (formerly Style Motors Limited)	88	-



# Notes to the financial statements

(All amounts are in ₹ Million, unless otherwise stated)

Nature	Party Name	2013-14	2012-13
		Amount	Amount
Balances as at year end			
Loan Receivable	Samvardhana Motherson Polymers Ltd	1,534	-
Advances Recoverable	CTM India Limited	153	61
	Samvardhana Motherson Reflectec Group Holdings Ltd.	30	30
	Systematic Conscom Limited	52	17
	Motherson Moulds and Die-casting Limited	32	4
Security Deposit Received	Kyungshin Industrial Motherson Limited	30	30
	CTM India Limited.	23	25
Security Deposits Given	Motherson Auto Limited	78	90
	Motherson Lease Solution Limited (formerly Style Motors Limited)	89	#
Guarantee Closing	Samvardhana Motherson Reflectec Group Holdings Ltd.	3,272	4,105
	Samvardhana Motherson B.V., Netherland	2,687	2,265
	Samvardhana Motherson Peguform GmbH (earlier known as Forgu GmbH, Germany)	5,864	4,943
Trade Payables	Systematic Conscom Limited	100	149
	Motherson Sumi INFotech and Designs Limited	68	45
	Sumitomo Wiring Systems Limited	131	239
Trade Receivables	MSSL Japan Limited	382	331
	Kyungshin Industrial Motherson Limited	129	5
Advances from Customers	SMP Deutschland GmbH (earlier known as Peguform GmbH (Boetzingen, DE)	4	-
	SMP Automotive Technology Iberica S L (earlier known as Pegurform Iberica S L))	5	-
	MSSL Polymer GmbH	17	-

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

## 46. 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.

	Year ended March 31, 2014	Year ended March 31, 2013
<b>With respect to all operating leases;</b>		
Lease payments recognized in the Statement of Profit and Loss during the year	219	120

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

	Year ended March 31, 2014	Year ended March 31, 2013
Not Later than one year	7	7
Later than one year and not later than five years.	28	27
Later than 5 years	319	323

## Notes to the financial statements

(All amounts are in ₹ Million, unless otherwise stated)

### 47. SEGMENT REPORTING

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

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

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, 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
<b>Segment revenue</b>								
External	42,322	39,814	3,054	3,308	859	784	46,235	43,906
Inter-segment	-	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>42,322</b>	<b>39,814</b>	<b>3,054</b>	<b>3,308</b>	<b>859</b>	<b>784</b>	<b>46,235</b>	<b>43,906</b>
<b>Results</b>								
<b>Segment result</b>	7,152	6,096	323	298	-	-	7,475	6,394
Interest expense (net of Interest income)	-	-	-	-	323	485	323	485
Other Unallocable (net of Income)	-	-	-	-	(432)	(588)	(432)	(588)
<b>Profit before taxation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,584</b>	<b>6,497</b>
Provision for taxation (net)	-	-	-	-	2,233	1,801	2,233	1,801
<b>Net profit after tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,351</b>	<b>4,696</b>
<b>Other items</b>								
Segment assets	27,006	26,279	1,792	2,235 <sup>2</sup>	7,750	5,794 <sup>2</sup>	36,548	34,308
Segment liabilities	6,373	5,803	138	850	11,077	11,510	17,588	18,163
Capital expenditure	1,209	3,227	41	140	135	-	1,385	3,367
Depreciation & Amortisation <sup>1</sup>	1,407	1,319	101	134	22	-	1,530	1,453

<sup>1</sup> Includes impairment loss amounting to ₹ Nil (Previous Year ₹ 60 million) recognized during the year and reversal of excess impairment loss of ₹ 10 million (Previous Year ₹ Nil) provided in the previous year.

<sup>2</sup> During the current year land and building amounting to ₹ Nil (Previous Year ₹ 222 million), being part of non-automotive segment assets has been reclassified as investment property forming part of unallocated assets.

# Notes to the financial statements

(All amounts are in ₹ Million, unless otherwise stated)

## 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
<b>Revenue by geographical markets</b>								
External	38,356	37,322	7,020	5,800	859	784	46,235	43,906
<b>Total</b>	<b>38,356</b>	<b>37,322</b>	<b>7,020</b>	<b>5,800</b>	<b>859</b>	<b>784</b>	<b>46,235</b>	<b>43,906</b>
Carrying amount of segment assets	27,131	27,330	1,665	1184	7,752	5,794	36,548	34,308
Additions to fixed assets	1,249	3,366	1	1	135	-	1,385	3,367

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

## c) Inter Segment Transfer Pricing

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

## 48. Interests in Joint Ventures:

The Company's interests, as a venture, in jointly controlled entities as at March 31, 2014 are:

Name of the Company	Country of Incorporation	% Voting power held as at March 31, 2014	% Voting power held as at March 31, 2013
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%
Samvardhana Motherson Nippisun Technology Ltd	India	49.5%	-

The Company's share of each of the asset, liabilities, income and expenses in the joint venture. Based on the audited financial statement are as follows:

Particulars	March 31, 2014	March 31, 2013
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' Funds</b>		
Share capital		
Reserves and surplus	992	856
Non-Current Liabilities	18	35
Long term borrowings	650	20
Current Liabilities	1,434	1,178
<b>Assets</b>		
<b>Non Current Assets</b>		
Fixed Assets	408	246
Capital Work in Progress	584	3
Intangible Asset under development	4	41
Long Term Loans and Advances	482	173
<b>Deferred tax Assets (Net)</b>	33	26
<b>Current Assets</b>	2,041	1,844
<b>Revenue</b>		
Sales	6,098	5,718

## Notes to the financial statements

(All amounts are in ₹ Million, unless otherwise stated)

Particulars	March 31, 2014	March 31, 2013
Other Income	50	22
Expenditure	5,699	5,243
<b>Profit before Tax</b>	449	497
Provision for Tax	153	131
<b>Profit after Tax</b>	296	366
<b>Contingent Liabilities</b>		
- In respect of Excise, Sales tax & Service tax matters	33	33
- Bank Guarantees	2	0
<b>Capital Commitment</b>	15	6

### 49. Payment to Auditors:

Particulars	March 31, 2014	March 31, 2013
a) Statutory Audit Fee	23	20
b) Others (fee for limited reviews & other assurance services)	19	25
<b>Total</b>	<b>42</b>	<b>45</b>

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: 012754N**  
Chartered Accountants

**RAJIB CHATTERJEE**  
Partner  
M.No.: 057134

Place: Noida  
Date : May 22, 2014

For and on behalf of the Board

**V.C. SEHGAL**  
Chairman

**NORIYO NAKAMURA**  
Director

**PANKAJ MITAL**  
Chief Operating Officer

**G.N. GAUBA**  
Chief Financial Officer &  
Company Secretary

Statement Pursuant to Section 212 of The Companies Act, 1956 relating to Subsidiary Companies

(All amounts are in Million, unless otherwise stated)

S. No.	Particulars	Reporting Dates used for Consolidation	Reporting Currency	Number of shares held in Subsidiary Company as on Reporting Date:	Equity (Nos.)	Extent of Holding (%)	Preference (Nos.)	Extent of Holding (%)	Net aggregate amounts of profits/(losses) of the Subsidiary Companies so far as those profits are dealt with, or provision is made for those losses in the Accounts of the holding Company		Net aggregate amounts of profits/(losses) of the Subsidiary Companies so far as it concerns the members of the Holding Company and is not dealt in the accounts of the Holding Company		Changes in the interest of the Holding company in the subsidiary between the end of the financial year of the Holding Company and that of the subsidiary Company	Materials changes between the end of the financial year of the Holding Company and that of the subsidiary Company		
									Profits of the Subsidiary Companies for the financial year ended 31st March, 2014		Profits/Losses of the Subsidiary Companies for the financial year ended March 31, 2014 (Figures in million)				Profits for the previous financial years of the Subsidiary Companies since it became a subsidiary of the Holding Company (Figures in million)	
									Reporting Currency		Reporting Currency				Reporting Currency	INR
1	MSSL Mauritius Holdings Limited	March 31, 2014	EUR	37,820,080 Equity Share of EUR 1 each	37,820,080	100%	-	100%	Nil	Nil	(1.74)	(1.89)	(155.73)	NA	NA	
2	Motherson Electrical Wires Lanka Pvt. Ltd.	March 31, 2014	USD	1,456,202 Equity Shares of SLR 10 each	1,456,202	100%	-	100%	9	16.5	(4.35)	19.18	1,148.79	NA	NA	
3	MSSL Mideast (FZE)	March 31, 2014	EUR	1 equity share of AED 150,000 equivalent to Euro 46,875 and 25,575,000 equity share of Euro 1 each	25,575,001	100%	-	100%	Nil	Nil	8.17	44.59	3,678.64	NA	NA	
4	MSSL (S) Pte Ltd	March 31, 2014	SGD	14,554,700 Equity Shares of SGD 1 each and 4,500,000 Preference Shares of SGD 1 each	14,554,700	100%	4,500,000	100%	Nil	Nil	(0.42)	1.91	90.78	NA	NA	
5	MSSL Handels GmbH	March 31, 2014	EUR	1 Equity Share of EUR 35,000 each	1	100%	-	100%	Nil	Nil	(0.01)	(0.12)	(9.52)	NA	NA	
6	MSSL Automobile Component Ltd.	March 31, 2014	INR	50,000 Equity Shares of ₹ 10 each	50,000	100%	-	100%	Nil	Nil	(0.05)	(0.11)	(0.11)	NA	NA	
7	Samvardhana Motherson Polymers Ltd.	March 31, 2014	INR	1,874,250 Equity Shares of ₹ 10 each	3,675,000	51%	-	51%	Nil	Nil	(131.70)	(4.84)	(4.84)	NA	NA	
8	MSSL GB Limited <sup>1</sup>	March 31, 2014	GBP	1,000 Equity Shares of GBP 1 each held by MSSL Mideast (FZE)	1,000	100%	-	100%	Nil	Nil	0.77	0.60	59.65	NA	NA	
9	Motherson Wiring System (FZE) <sup>1</sup>	March 31, 2014	EUR	32,100 Equity Shares of EUR 1 each held by MSSL Mideast (FZE)	32,100	100%	-	100%	Nil	Nil	(0.41)	(1.20)	(99.10)	NA	NA	

Indian Rupee figures have been arrived at by applying the year end interbank exchange rate, Euro 1 = ₹ 82.50, USD 1 = ₹ 59.91, SGD 1 = ₹ 47.65, GBP 1 = ₹ 99.82, CZK 1 = ₹ 2.99, AUD 1 = ₹ 55.49, ZAR 1 = ₹ 5.69, JPY 1 = ₹ 0.58, KRW 1 = ₹ 0.06, CNY 1 = ₹ 9.64, HUF 1 = ₹ 0.23, MXP 1 = ₹ 4.59, THB 1 = ₹ 1.85



## Statement Pursuant to Section 212 of The Companies Act, 1956 relating to Subsidiary Companies

(All amounts are in Million, unless otherwise stated)

S. No.	Particulars	Reporting Dates used for Consolidation	Reporting Currency	Number of shares held in Subsidiary Company as on Reporting Date:	Equity (Nos.)	Extent of Holding (%)	Preference (Nos.)	Extent of Holding (%)	Net aggregate amounts of profits/(losses) of the Subsidiary Companies so far as those profits are dealt with, or provision is made for those losses in the Accounts of the holding Company		Net aggregate amounts of profits/(losses) of the Subsidiary Companies so far as it concerns the members of the Holding Company and is not dealt in the accounts of the Holding Company		Changes in the interest of the Holding company in the subsidiary between the end of the financial year of the Holding Company and that of the subsidiary Company	Materials changes between the end of the financial year of the Holding Company and that of the subsidiary Company	
									Profits of the Subsidiary Companies for the financial year ended 31st March, 2014	Profits for the previous financial year of the Subsidiary Companies since it became a subsidiary of the Holding Company	Profits/Losses of the Subsidiary Companies for the financial year ended March 31, 2014 (Figures in million)	Profits for the previous financial years of the Subsidiary Companies since it became a subsidiary of the Holding Company (Figures in million)			
															Reporting Currency
10	MSSL Tooling (FZE) <sup>1</sup>	March 31, 2014	EUR	1,500 Equity Shares of AED 100 each equivalent to EUR 32,504 held by MSSL Mideast (FZE)	1,500	100%	-	-	Nil	Nil	1.62	133.41	1.31	108.19	NA
11	MSSL GmbH <sup>1</sup> (including MSSL Polymers GmbH merged with the company w.e.f 26.08.2013)	March 31, 2014	EUR	250,000 Equity Shares of EUR 1 each held by MSSL Mideast(FZE)	250,000	100%	-	-	Nil	Nil	(0.04)	(3.45)	(11.46)	(945.30)	NA
12	Motherson Techno Precision Mexico S.A. de C.V. <sup>4</sup>	March 31, 2014	MXP	50,000 Equity Share of MXN 1 each equivalent to EUR 2,781 held by MSSL GmbH	50,000	100%	-	-	Nil	Nil	(16.61)	(76.21)	-	-	NA
13	Samvardhana Motherson Invest Deutschland GmbH <sup>4</sup>	March 31, 2014	EUR	1 Equity Share of EUR 200,000 each held by MSSL GmbH	1	100%	-	-	Nil	Nil	(0.03)	(2.77)	0.04	3.11	NA
14	MSSL Advanced Polymers s.r.o <sup>4</sup>	March 31, 2014	CZK	1 Equity Share of EUR 72,900 each held by MSSL GmbH	1	100%	-	-	Nil	Nil	(0.64)	(1.91)	7.06	21.14	NA
15	Motherson Orca Precision Technology GmbH <sup>4</sup>	March 31, 2014	EUR	1 Equity Share of EUR 51,000 each and 1 Equity Share of EUR 900,000 each held by MSSL GmbH	3	95.1%	-	-	Nil	Nil	0.10	8.33	(3.92)	(323.13)	NA
16	MSSL s.r.l. Unipersonale <sup>4</sup>	March 31, 2014	EUR	1 Equity Share of EUR 10,000 each held by MSSL GmbH	1	100%	-	-	Nil	Nil	0.02	1.51	(0.08)	(6.66)	NA

Indian Rupee figures have been arrived at by applying the year end interbank exchange rate, Euro 1 = ₹ 82.50, USD 1 = ₹ 59.91, SGD 1 = ₹ 47.65, GBP 1 = ₹ 99.82, CZK 1 = ₹ 2.99, AUD 1 = ₹ 55.49, ZAR 1 = ₹ 5.69, JPY 1 = ₹ 0.58, KRW 1 = ₹ 0.06, CNY 1 = ₹ 9.64, HUF 1 = ₹ 0.23, MXP 1 = ₹ 4.59, THB 1 = ₹ 1.85

**Statement Pursuant to Section 212 of The Companies Act, 1956 relating to Subsidiary Companies**

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S. No.	Particulars	Reporting Dates used for Consolidation	Reporting Currency	Number of shares held in Subsidiary Company as on Reporting Date:	Equity (Nos.)	Extent of Holding (%)	Preference (Nos.)	Extent of Holding (%)	Net aggregate amounts of profits/(losses) of the Subsidiary Companies so far as those profits are dealt with, or provision is made for those losses in the Accounts of the holding Company		Profits of the Subsidiary Companies for the financial year ended 31st March, 2014		Profits for the previous financial year of the Subsidiary Companies since it became a subsidiary of the Holding Company		Net aggregate amounts of profits/(losses) of the Subsidiary Companies so far as it concerns the members of the Holding Company and is not dealt in the accounts of the Holding Company	Changes in the interest of the Holding company in the subsidiary between the end of the financial year of the Holding Company and that of the subsidiary Company	Material changes between the end of the financial year of the Holding Company and that of the subsidiary Company
									Reporting Currency	Reporting Currency	Reporting Currency	Reporting Currency	INR	INR			
17	MSSL Australia Pty Limited <sup>3</sup>	March 31, 2014	AUD	8,000 Equity Shares of AUD 1 each and 2,792,000 Preference Shares of AUD 1 each held by MSSL (S) Pte Ltd	10,000	80%	3,490,000	80%	Nil	1.54	0.36	20.03	1.52	84.48	NA	NA	
18	Motherson Elastomers Pty. Ltd. <sup>6</sup>	March 31, 2014	AUD	100 Equity Shares of AUD 1 each held by MSSL Australia Pty Ltd	100	100%	-	-	Nil	Nil	(0.12)	(6.63)	4.39	243.66	NA	NA	
19	Motherson Investment Pty. Ltd. <sup>6</sup>	March 31, 2014	AUD	100 Equity Shares of AUD 1 each held by MSSL Australia Pty Ltd	100	100%	-	-	Nil	Nil	0.03	1.73	(0.26)	(14.41)	NA	NA	
20	MSSL Ireland Private Ltd. <sup>2</sup>	March 31, 2014	EUR	5,000 Equity Shares of EUR 10 each held by MSSL Mauritius Holdings Limited	5,000	100%	-	-	Nil	Nil	0.04	3.10	0.12	9.87	NA	NA	
21	Global Environment Management (FZC) <sup>2</sup>	March 31, 2014	AUD	75,100 Equity Shares of AED 1 each equivalent to AUD 27,265 and 6,041,542 Equity Shares of AUD 1 each held by MSSL Mauritius Holdings Limited	7,795,542	78.82%	-	-	Nil	Nil	0.19	10.60	(3.21)	(177.91)	NA	NA	

Indian Rupee figures have been arrived at by applying the year end interbank exchange rate, Euro 1 = ₹ 82.50, USD 1 = ₹ 59.91, SGD 1 = ₹ 47.65, GBP 1 = ₹ 99.82, CZK 1 = ₹ 2.99, AUD 1 = ₹ 55.49, ZAR 1 = ₹ 5.69, JPY 1 = ₹ 0.58, KRW 1 = ₹ 0.06, CNY 1 = ₹ 9.64, HUF 1 = ₹ 0.23, MXP 1 = ₹ 4.59, THB 1 = ₹ 1.85

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											Reporting Currency	INR			Reporting Currency	INR
22	Global Environment Management Australia Pty Ltd <sup>5</sup>	March 31, 2014	AUD	2 Equity Shares of AUD 1 each held by Global Environment (FZC)	2	100%	-	-	Nil	Nil	(0.10)	(5.58)	(5.24)	(291.02)	NA	NA
23	MSSL Global RSA Module Engineering Ltd. <sup>2</sup>	March 31, 2014	ZAR	60,000,000 Equity Shares of ZAR 1 each held by MSSL Mauritius Holdings Limited	60,000,000	100%	-	-	Nil	Nil	36.50	207.81	(55.17)	(314.09)	NA	NA
24	MSSL Japan Limited <sup>3</sup>	March 31, 2014	JPY	350 Equity Shares of JPY 50000 each held by MSSL (S) Pte Ltd.	350	100%	-	-	Nil	Nil	89.29	51.84	(62.89)	(36.51)	NA	NA
25	Vacuform 2000 (Proprietary) Ltd. <sup>2</sup>	March 31, 2014	ZAR	51 Equity Shares of ZAR 1 each held by MSSL Mauritius Holdings Limited	100	51%	-	-	Nil	Nil	2.49	14.16	(20.23)	(115.19)	NA	NA
26	MSSL México, S.A. De C.V. <sup>3</sup>	March 31, 2014	MXP	114,434,117 Equity Shares of MXP 1 each held by MSSL (S) Pte Ltd.	114,434,117	100%	-	-	Nil	Nil	(21.65)	(99.33)	(13.41)	(61.51)	NA	NA
27	MSSL WH System (Thailand) Co., Ltd <sup>5</sup>	March 31, 2014	THB	10,000,000 Equity Shares of THB 10 each and 5,000,000 Equity Shares of THB 10 each THB 5.75 paid up held by MSSL (S) Pte Ltd.	15,000,000	100%	-	-	Nil	Nil	(36.84)	(68.13)	(23.59)	(43.63)	NA	NA

Indian Rupee figures have been arrived at by applying the year end interbank exchange rate, Euro 1 = ₹ 82.50, USD 1 = ₹ 59.91, SGD 1 = ₹ 47.65, GBP 1 = ₹ 99.82, CZK 1 = ₹ 2.99, AUD 1 = ₹ 55.49, ZAR 1 = ₹ 5.69, JPY 1 = ₹ 0.58, KRW 1 = ₹ 0.06, CNY 1 = ₹ 9.64, HUF 1 = ₹ 0.23, MXP 1 = ₹ 4.59, THB 1 = ₹ 1.85

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															Profits/Losses of the Subsidiary Companies for the financial year ended March 31, 2014 (Figures in million)
28	MSSL Korea WH Limited <sup>3</sup>	March 31, 2014	KRW	2,000,000 contribution units of KRW 100 each held by MSSL (S) Pte Ltd.	2,000,000	100%	-	-	Nil	Nil	(116.99)	(6.58)	(38.75)	(2.18)	NA
29	Samvardhana Motherson Global Holdings Limited <sup>2</sup>	March 31, 2014	EUR	1,020,000 Equity Shares of EUR 1 each and 5,100 Preference Shares of EUR 1 each held by MSSL Mauritius Holdings Limited	2,000,000	51%	10,000	51%	Nil	Nil	0.08	6.61	(1.69)	(139.56)	NA
30	Samvarhana Motherson Reflectec Group Holdings Limited <sup>7</sup>	March 31, 2014	EUR	2,850,904,674 Equity share of EUR 0.01 each held by Samvardhana Motherson Global Holdings (Cyprus) Ltd.	3,045,000,000	93.63%	-	-	Nil	Nil	(0.67)	(55.27)	14.62	1,206.35	NA
31	SMR Automotive Holding Hong Kong Limited <sup>8</sup>	March 31, 2014	EUR	1 Equity share of HKD 1 each and 2,300,400 Equity shares of EUR 1 each held by Samvardhana Motherson Reflectec Group Holdings Ltd.	2,300,401	100%	-	-	Nil	Nil	(0.15)	(12.70)	(0.44)	(36.25)	NA

Indian Rupee figures have been arrived at by applying the year end interbank exchange rate, Euro 1 = ₹ 82.50, USD 1 = ₹ 59.91, SGD 1 = ₹ 47.65, GBP 1 = ₹ 99.82, CZK 1 = ₹ 2.99, AUD 1 = ₹ 55.49, ZAR 1 = ₹ 5.69, JPY 1 = ₹ 0.58, KRW 1 = ₹ 0.06, CNY 1 = ₹ 9.64, HUF 1 = ₹ 0.23, MXP 1 = ₹ 4.59, THB 1 = ₹ 1.85

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															Reporting Currency
32	SMR Automotive Technology Holding Cyprus Ltd. <sup>a</sup>	March 31, 2014	EUR	1,998,720 Equity shares of EUR 1 each held by Samvardhana Motherson Reflectec Group Holdings Ltd.	1,998,720	100%	-	-	Nil	Nil	(42.07)	(2.10)	(173.24)	NA	NA
33	SMR Automotive Mirror Systems Holding Deutschland GmbH <sup>b</sup>	March 31, 2014	EUR	1 Equity share of EUR 25,000 each and 4 Equity shares of EUR 100 each held by SMR Automotive Mirror Parts and Holdings UK Ltd.	5	100%	-	-	Nil	Nil	274.63	(4.01)	(331.14)	NA	NA
34	SMR Poong Jeong Automotive Mirrors Korea Ltd. <sup>a</sup>	March 31, 2014	KRW	723,696 Equity shares of KRW 5000 each held by SMR Automotive Mirror Systems Holding Deutschland GmbH	805,356	89.86%	-	-	5,475.60	15,714.05	315.54	22,937.61	1,290.75	NA	NA
35	SMR Hyosang Automotive Ltd. <sup>a</sup>	March 31, 2014	KRW	90,000 Equity shares of KRW 5000 each held by SMR Poong Jeong Automotive Mirrors Korea Ltd.	90,000	100%	-	-	Nil	Nil	136.57	9,376.80	527.65	NA	NA

Indian Rupee figures have been arrived at by applying the year end interbank exchange rate, Euro 1 = ₹ 82.50, USD 1 = ₹ 59.91, SGD 1 = ₹ 47.65, GBP 1 = ₹ 99.82, CZK 1 = ₹ 2.99, AUD 1 = ₹ 55.49, ZAR 1 = ₹ 5.69, JPY 1 = ₹ 0.58, KRW 1 = ₹ 0.06, CNY 1 = ₹ 9.64, HUF 1 = ₹ 0.23, MXP 1 = ₹ 4.59, THB 1 = ₹ 1.85



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															Reporting Currency
36	SMR Automotive (Langfang) Co. Ltd <sup>8</sup>	March 31, 2014	CNY	100% of shares held by SMR Poong Jeong Automotive Mirrors Korea Ltd.	1	100%	-	-	Nil	Nil	(16.80)	(2.54)	(24.50)	NA	NA
37	SMR Holding Australia Pty Limited <sup>8</sup>	March 31, 2014	AUD	15,296,248 Equity shares of AUD 1 each held by SMR Automotive Mirror Technology Holding Hungary Kft	15,296,248	100%	-	-	Nil	Nil	(1.43)	(2.56)	(142.02)	NA	NA
38	SMR Automotive Australia Pty Limited <sup>8</sup>	March 31, 2014	AUD	1,450,880 Class A Equity shares and 1,115,240 Class B shares of AUD 1.72 each and 4,64,684 equity shares of AUD 14.79 each held by SMR Holding Australia Pty Ltd.	3,030,804	100%	-	-	Nil	Nil	14.32	33.76	1,873.07	NA	NA

Indian Rupee figures have been arrived at by applying the year end interbank exchange rate, Euro 1 = ₹ 82.50, USD 1 = ₹ 59.91, SGD 1 = ₹ 47.65, GBP 1 = ₹ 99.82, CZK 1 = ₹ 2.99, AUD 1 = ₹ 55.49, ZAR 1 = ₹ 5.69, JPY 1 = ₹ 0.58, KRW 1 = ₹ 0.06, CNY 1 = ₹ 9.64, HUF 1 = ₹ 0.23, MXP 1 = ₹ 4.59, THB 1 = ₹ 1.85

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											Reporting Currency	INR	Reporting Currency	INR		
39	SMR Automotive Mirror Technology Hungary B <sup>8</sup>	March 31, 2014	EUR	The Company is a Limited Partnership Company, EUR 1,012,079 contributed by SMR Automotive Technology Holding Cyprus Ltd, and EUR 5,242 contributed by SMR Automotive Mirror Technology Holding Hungary Kft.)	-	100%	-	-	Nil	Nil	1,141.66	13.84	(9.33)	NA	NA	
40	SMR Grundbesitz GmbH & Co. KG <sup>8</sup>	March 31, 2014	EUR	1 Equity share of Euro 51,700 each held by SMR Automotive Mirror Systems Holding Deutschland GmbH	2	94%	-	-	Nil	Nil	33.16	0.40	2.18	NA	NA	
41	SMR Automotive Mirror Parts and Holdings UK Ltd. <sup>8</sup>	March 31, 2014	EUR	102 Equity shares of GBP 1 each held by Samvardhana Mothercon Reflectec Group Holdings Ltd.	102	100%	-	-	Nil	Nil	209.38	2.54	7.50	NA	NA	

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															Reporting Currency
42	SMR Automotive Mirrors UK Limited <sup>8</sup>	March 31, 2014	EUR	2 Equity shares of GBP 1 each held by SMR Automotive Mirror Parts and Holdings UK Ltd.	2	100%	-	-	Nil	Nil	1.62	133.97	13.67	1,127.35	NA
43	SMR Automotive Technology Valencia SAU <sup>8</sup>	March 31, 2014	EUR	249,741 Equity shares of EUR 20.82 each held by SMR Automotive Mirror Parts and Holdings UK Ltd.	249,741	100%	-	-	Nil	Nil	0.15	12.04	(1.03)	(85.12)	NA
44	SMR Automotive Services UK Ltd. <sup>9</sup>	March 31, 2014	GBP	100 Equity shares of GBP 1 each held by SMR Automotive Mirror Parts and Holdings UK Ltd.	100	100%	-	-	Nil	Nil	0.09	8.78	0.07	7.32	NA
45	SMR Automotive Technology Holdings USA Partners <sup>3</sup>	March 31, 2014	USD	99 % Shares held by SMR Automotive Mirror Parts and Holdings UK Ltd. and 1% by SMR Automotive Mirror Services UK Ltd.	-	100%	-	-	Nil	Nil	(4.18)	(250.36)	(16.30)	(976.33)	NA
46	SMR Automotive Mirror International USA Inc. <sup>8</sup>	March 31, 2014	USD	100 % Shares capital held by SMR Mirrors UK Ltd.	100	100%	-	-	Nil	Nil	(0.58)	(34.99)	(0.70)	(42.23)	NA

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									Reporting Currency		Reporting Currency		Reporting Currency		Reporting Currency			
47	SMR Automotive Systems USA Inc. <sup>3</sup>	March 31, 2014	USD	7,500 Equity shares of USD 10 each held by SMR Automotive Mirror International USA Inc.	7,500	100%	-	-	Nil		Nil		18.27	1,094.68	21.83	1,307.60	NA	NA
48	SMR Automotive Systems France S. A. <sup>8</sup>	March 31, 2014	EUR	1,600 shares of EUR 25 each held by SMR Automotive Technology Holding Cyprus Ltd.	1,600	100%	-	-	Nil		Nil		(2.60)	(214.24)	(27.71)	(2,285.63)	NA	NA
49	SMR Automotive Systems India Limited <sup>6</sup>	March 31, 2014	INR	6,712,990 Equity shares of ₹10 each by held Motherson Sumi Systems Ltd. and 6,987,000 Equity shares held by SMR Automotive Technology Holding Cyprus Ltd.	13,700,000	100%	-	-	Nil		Nil		110.20	110.20	462.28	462.28	NA	NA
50	SMR Automotive Yancheng Co. Limited <sup>8</sup>	March 31, 2014	CNY	100 % Shares held by SMR Automotive Holding Hong Kong Limited	1	100%	-	-	Nil		Nil		19.28	185.83	48.45	466.98	NA	NA
51	SMR Automotive Beijing Company Limited <sup>6</sup>	March 31, 2014	CNY	100 % Shares held by SMR Automotive Holding Hong Kong Limited	1	100%	-	-	Nil		Nil		11.32	109.06	31.58	304.34	NA	NA

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									Reporting Currency	INR	Reporting Currency	INR			Reporting Currency	INR
52	SMR Automotive Mirror Technology Holding Hungary Kft <sup>8</sup>	March 31, 2014	EUR	1 Equity share of HUF 3,000,000 held by SMR Automotive Technology Holding Cyprus Ltd.	1	100%	-	-	Nil	Nil	(0.01)	(0.49)	(71.81)	NA	NA	
53	SMR Automotive Systems Spain S.A.U <sup>8</sup>	March 31, 2014	EUR	194,000 Equity shares of EUR 6.01 each held by SMR Automotive Parts GmbH	194,000	100%	-	-	Nil	Nil	1.80	148.49	695.35	NA	NA	
54	SMR Automotive Vision Systems Mexico S.A. de C.V. <sup>8</sup>	December 31, 2013	USD	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	4.08	244.13	924.62	NA	NA	
55	SMR Automotive Servicios Mexico S.A. de C.V. <sup>8</sup>	March 31, 2014	MXP	49,999 Equity shares of USD 1 each held by SMR Automotive Vision Systems Mexico S.A de C.V	50,000	99.998%	-	-	Nil	Nil	6.00	27.53	6.13	NA	NA	

Indian Rupee figures have been arrived at by applying the year end interbank exchange rate, Euro 1 = ₹ 82.50, USD 1 = ₹ 59.91, SGD 1 = ₹ 47.65, GBP 1 = ₹ 99.82, CZK 1 = ₹ 2.99, AUD 1 = ₹ 55.49, ZAR 1 = ₹ 5.69, JPY 1 = ₹ 0.58, KRW 1 = ₹ 0.06, CNY 1 = ₹ 9.64, HUF 1 = ₹ 0.23, MXP 1 = ₹ 4.59, THB 1 = ₹ 1.85



## Statement Pursuant to Section 212 of The Companies Act, 1956 relating to Subsidiary Companies

(All amounts are in Million, unless otherwise stated)

S. No.	Particulars	Reporting Dates used for Consolidation	Reporting Currency	Number of shares held in Subsidiary Company as on Reporting Date:	Equity (Nos.)	Extent of Holding (%)	Preference (Nos.)	Extent of Holding (%)	Net aggregate amounts of profits/(losses) of the Subsidiary Companies so far as those profits are dealt with, or provision is made for those losses in the Accounts of the holding Company		Net aggregate amounts of profits/(losses) of the Subsidiary Companies so far as it concerns the members of the Holding Company and is not dealt in the accounts of the Holding Company		Changes in the interest of the Holding company in the subsidiary between the end of the financial year of the subsidiary and that of the Holding Company	Material changes between the end of the financial year of the subsidiary and that of the Holding Company		
									Profits of the Subsidiary Companies for the financial year ended 31st March, 2014	Profits for the previous financial year of the Subsidiary Companies since it became a subsidiary of the Holding Company	Profits/Losses of the Subsidiary Companies for the financial year ended March 31, 2014 (Figures in million)				Profits for the previous financial years of the Subsidiary Companies since it became a subsidiary of the Holding Company (Figures in million)	
											Reporting Currency	INR			Reporting Currency	INR
56	SMR Automotive Mirrors Stuttgart GmbH <sup>a</sup>	March 31, 2014	EUR	1 Equity share of EUR 25,000 each held by SMR Automotive Mirror Systems Holding Deutschland GmbH	1	100%	-	-	Nil	Nil	3.34	275.45	0.66	54.32	NA	
57	SMR Patents S.a.R.L. <sup>a</sup>	March 31, 2014	EUR	500 Equity shares of EUR 25 each held by SMR Automotive Mirror Parts and Holdings UK Ltd.	500	100%	-	-	Nil	Nil	(0.28)	(23.43)	2.80	231.36	NA	
58	SMR Automotive Beteiligungen Deutschland GmbH <sup>a</sup>	March 31, 2014	EUR	1 Equity share of EUR 25,000 each held by SMR Automotive Mirror Systems Holding Deutschland GmbH	1	100%	-	-	Nil	Nil	0.11	8.91	3.89	321.09	NA	
59	SMR Automotive Brasil Ltda. <sup>a</sup>	March 31, 2014	BRL	33,380,702 share of BRL 1 each held by SMR Automotive Mirror Technology Holding Hungary Kft	33,380,703	100%	-	-	Nil	Nil	(7.59)	(200.17)	(12.30)	(324.29)	NA	

Indian Rupee figures have been arrived at by applying the year end interbank exchange rate, Euro 1 = ₹ 82.50, USD 1 = ₹ 59.91, SGD 1 = ₹ 47.65, GBP 1 = ₹ 99.82, CZK 1 = ₹ 2.99, AUD 1 = ₹ 55.49, ZAR 1 = ₹ 5.69, JPY 1 = ₹ 0.58, KRW 1 = ₹ 0.06, CNY 1 = ₹ 9.64, HUF 1 = ₹ 0.23, MXP 1 = ₹ 4.59, THB 1 = ₹ 1.85

Statement Pursuant to Section 212 of The Companies Act, 1956 relating to Subsidiary Companies

(All amounts are in Million, unless otherwise stated)

S. No.	Particulars	Reporting Dates used for Consolidation	Reporting Currency	Number of shares held in Subsidiary Company as on Reporting Date:	Equity (Nos.)	Extent of Holding (%)	Preference (Nos.)	Extent of Holding (%)	Net aggregate amounts of profits/(losses) of the Subsidiary Companies so far as those profits are dealt with, or provision is made for those losses in the Accounts of the holding Company		Net aggregate amounts of profits/(losses) of the Subsidiary Companies so far as it concerns the members of the Holding Company and is not dealt in the accounts of the Holding Company		Changes in the interest of the Holding company in the subsidiary between the end of the financial year of the Holding Company and that of the subsidiary Company	Material changes between the end of the financial year of the Holding Company and that of the subsidiary Company	
									Profits of the Subsidiary Companies for the financial year ended 31st March, 2014	Profits for the previous financial year of the Subsidiary Companies since it became a subsidiary of the Holding Company	Profits/Losses of the Subsidiary Companies for the financial year ended March 31, 2014 (Figures in million)	Profits for the previous financial years of the Subsidiary Companies since it became a subsidiary of the Holding Company (Figures in million)			
												Reporting Currency			INR
60	SMR Automotive System (Thailand) Limited <sup>a</sup>	March 31, 2014	THB	21,500,000 ordinary share of THB 10 each & 11,500,000 ordinary share of THB 9.12 each held by SMR Automotive Technology Holding Cyprus Ltd.	33,300,000	100%	-	-	Nil	Nil	(86.66)	(160.28)	(57.02)	(105.47)	NA
61	SMR Automotive Operations Japan K.K. <sup>a</sup>	March 31, 2014	JPY	200,000 shares of JPY 62.5 each held by SMR Automotive Mirror Technology Holding Hungary Kft	200,000	100%	-	-	Nil	Nil	10.37	6.02	4.24	2.46	NA
62	SMR Automotive Systems Macedonia Doel Skopje <sup>a</sup>	March 31, 2014	EUR	1 share of EUR 5000 each held by SMR Automotive Mirror Technology Holding Hungary Kft	1	100%	-	-	Nil	Nil	(0.12)	(9.49)	(0.06)	(5.20)	NA
63	SMR Automotive Vision Systems Operations USA Inc. <sup>a</sup>	March 31, 2014	USD	28,268 number of shares of USD .0001 each held by SMR Automotive Mirror Parts and Holdings UK Ltd.	28,268	100%	-	-	Nil	Nil	(0.40)	(23.96)	-	-	NA

Indian Rupee figures have been arrived at by applying the year end interbank exchange rate, Euro 1 = ₹ 82.50, USD 1 = ₹ 59.91, SGD 1 = ₹ 47.65, GBP 1 = ₹ 99.82, CZK 1 = ₹ 2.99, AUD 1 = ₹ 55.49, ZAR 1 = ₹ 5.69, JPY 1 = ₹ 0.58, KRW 1 = ₹ 0.06, CNY 1 = ₹ 9.64, HUF 1 = ₹ 0.23, MXP 1 = ₹ 4.59, THB 1 = ₹ 1.85

## Statement Pursuant to Section 212 of The Companies Act, 1956 relating to Subsidiary Companies

(All amounts are in Million, unless otherwise stated)

S. No.	Particulars	Reporting Dates used for Consolidation	Reporting Currency	Number of shares held in Subsidiary Company as on Reporting Date:	Equity (Nos.)	Extent of Holding (%)	Preference (Nos.)	Extent of Holding (%)	Net aggregate amounts of profits/(losses) of the Subsidiary Companies so far as those profits are dealt with, or provision is made for those losses in the Accounts of the holding Company		Profits/Losses of the Subsidiary Companies for the financial year ended March 31, 2014 (Figures in million)		Profits for the previous financial years of the Subsidiary Companies since it became a subsidiary of the Holding Company (Figures in million)		Net aggregate amounts of profits/(losses) of the Subsidiary Companies so far as it concerns the members of the Holding Company and is not dealt in the accounts of the Holding Company	Changes in the interest of the Holding company in the subsidiary between the end of the financial year of the subsidiary and that of the Holding Company	Material changes between the end of the financial year of the subsidiary and that of the Holding Company		
									Reporting Currency	Profits of the Subsidiary Companies for the financial year ended 31st March, 2014	Reporting Currency	Profits for the previous financial year of the Subsidiary Companies since it became a subsidiary of the Holding Company	Reporting Currency	INR				Reporting Currency	INR
64	SMR Mirro's UK Ltd. <sup>8</sup>	March 31, 2014	EUR	100 of shares of USD 1 each held by SMR Automotive Vision Systems Operations USA Inc.	100	100%	-	-	Nil	-	-	-	-	-	NA	NA			
65	Samvardhana Motherson Automotive Systems Group B.V. (Formerly Samvardhana Motherson B.V.) <sup>9</sup>	March 31, 2014	EUR	20,500 Equity Shares of EUR 1 each held by Samvardhana Motherson Polymers Limited	20,500	100%	-	-	Nil	0.86	71.20	(10.05)	(829.37)	NA	NA				
66	Samvardhana Motherson Peguform GmbH <sup>10</sup>	March 31, 2014	EUR	25,000 Equity Shares of EUR 1 each held by Samvardhana Motherson B.V.	25,000	100%	-	-	Nil	(4.56)	(375.79)	(17.23)	(1,421.29)	NA	NA				
67	SMP Deutschland GmbH <sup>11</sup>	March 31, 2014	EUR	5 shares of Euro 19,630 held by Samvardhana Motherson Peguform GmbH, 2 shares of Euro 1,300 held by Samvardhana Motherson Global Holdings Ltd.	8	83.72%	-	-	Nil	35.14	2,898.88	22.12	1,824.80	NA	NA				

Indian Rupee figures have been arrived at by applying the year end interbank exchange rate, Euro 1 = ₹ 82.50, USD 1 = ₹ 59.91, SGD 1 = ₹ 47.65, GBP 1 = ₹ 99.82, CZK 1 = ₹ 2.99, AUD 1 = ₹ 55.49, ZAR 1 = ₹ 5.69, JPY 1 = ₹ 0.58, KRW 1 = ₹ 0.06, CNY 1 = ₹ 9.64, HUF 1 = ₹ 0.23, MXP 1 = ₹ 4.59, THB 1 = ₹ 1.85

Statement Pursuant to Section 212 of The Companies Act, 1956 relating to Subsidiary Companies

(All amounts are in Million, unless otherwise stated)

S. No.	Particulars	Reporting Dates used for Consolidation	Reporting Currency	Number of shares held in Subsidiary Company as on Reporting Date:	Equity (Nos.)	Extent of Holding (%)	Preference (Nos.)	Extent of Holding (%)	Net aggregate amounts of profits/(losses) of the Subsidiary Companies so far as those profits are dealt with, or provision is made for those losses in the Accounts of the holding Company	Net aggregate amounts of profits/(losses) of the Subsidiary Companies so far as it concerns the members of the Holding Company and is not dealt in the accounts of the Holding Company				Changes in the interest of the Holding company in the subsidiary between the end of the financial year of the Holding Company and that of the subsidiary Company	Material changes between the end of the financial year of the Holding Company and that of the subsidiary Company		
										Profits of the Subsidiary Companies for the financial year ended 31st March, 2014		Profits/Losses of the Subsidiary Companies for the financial year ended March 31, 2014 (Figures in million)				Profits for the previous financial years of the Subsidiary Companies since it became a subsidiary of the Holding Company (Figures in million)	
										Reporting Currency	Reporting Currency	Reporting Currency	INR			Reporting Currency	INR
68	SMP Logistik Service GmbH <sup>12</sup> (earlier known as SMP Automotive Solutions Personal Leasings GmbH)	March 31, 2014	EUR	25,000 Equity Shares of EUR 1 each held by SMP Deutschland GmbH	25,000	100%	-	-	Nil	Nil	0.06	4.59	0.01	0.73	NA	NA	
69	SMP Automotive Solutions Slovakia s.r.o. <sup>12</sup>	March 31, 2014	EUR	5,000 shares of EUR 1 each held by SMP Deutschland GmbH	5,000	100%	-	-	Nil	Nil	(4.81)	(397.21)	(2.78)	(229.63)	NA	NA	
70	Changchun Peguform Automotive Plastics Technology Co., Ltd. <sup>12</sup>	March 31, 2014	CNY	41,500,830 Equity Shares of 1 Rmb each held by SMP Deutschland GmbH	83,000,000	50%+1 share	-	-	46.85	122.08	168.39	1,622.80	*-	-	NA	NA	
71	SMP Automotive Technology Management Services (Changchun) Co. Ltd. <sup>12</sup>	March 31, 2014	CNY	200,000 USD Equity Shares held by SMP Deutschland GmbH	200,000	100%	-	-	Nil	Nil	1.98	19.12	(3.21)	(30.92)	NA	NA	
72	SMP Automotive Technology Iberica S.L. <sup>10</sup>	March 31, 2014	EUR	1,892,000 shares of EUR 6.01 each held by Samvardhana Motherson P.V.	2,365,000	83.72%	-	-	Nil	Nil	(3.63)	(299.43)	(62.36)	(5,144.18)	NA	NA	

Indian Rupee figures have been arrived at by applying the year end interbank exchange rate, Euro 1 = ₹ 82.50, USD 1 = ₹ 59.91, SGD 1 = ₹ 47.65, GBP 1 = ₹ 99.82, CZK 1 = ₹ 2.99, AUD 1 = ₹ 55.49, ZAR 1 = ₹ 5.69, JPY 1 = ₹ 0.58, KRW 1 = ₹ 0.06, CNY 1 = ₹ 9.64, HUF 1 = ₹ 0.23, MXP 1 = ₹ 4.59, THB 1 = ₹ 1.85

## Statement Pursuant to Section 212 of The Companies Act, 1956 relating to Subsidiary Companies

(All amounts are in Million, unless otherwise stated)

S. No.	Particulars	Reporting Dates used for Consolidation	Reporting Currency	Number of shares held in Subsidiary Company as on Reporting Date:	Equity (Nos.)	Extent of Holding (%)	Preference (Nos.)	Extent of Holding (%)	Net aggregate amounts of profits/(losses) of the Subsidiary Companies so far as those profits are dealt with, or provision is made for those losses in the Accounts of the holding Company				Net aggregate amounts of profits/(losses) of the Subsidiary Companies so far as it concerns the members of the Holding Company and is not dealt in the accounts of the Holding Company		Changes in the interest of the Holding company in the subsidiary between the end of the financial year of the subsidiary and that of the Holding Company	Material changes between the end of the financial year of the subsidiary and that of the Holding Company
									Profits of the Subsidiary Companies for the financial year ended 31st March, 2014		Profits for the previous financial year of the Subsidiary Companies since it became a subsidiary of the Holding Company					
									Reporting Currency	INR	Reporting Currency	INR	Reporting Currency	INR		
73	Samvardhana Motherson Peguform Barcelona S.L.U <sup>13</sup>	March 31, 2014	EUR	332,779 fully paid shares of EUR 0.76 each held by SMP Automotive Technology Iberica S.L.	332,779	100%	-	-	Nil	1.80	Nil	148.20	(0.60)	(49.71)	NA	NA
74	SMP Automotive Technologies Teruel Sociedad Limitada <sup>13</sup>	March 31, 2014	EUR	3,000,000 shares of EUR 1 each held by SMP Automotive Technology Iberica S.L.	3,000,000	100%	-	-	Nil	0.63	Nil	52.26	(0.54)	(44.63)	NA	NA
75	Samvardhana Motherson Peguform Automotive Technology Portugal S.A. <sup>13</sup> (including PAINTYES – Sociedade Portuguesa de Pintura, S.A., merged with the company w.e.f. 30.12.2013)	March 31, 2014	EUR	100,000 shares of EUR 1 each held by SMP Automotive Technology Iberica S.L.	100,000	100%	-	-	Nil	0.32	Nil	26.41	(1.17)	(96.14)	NA	NA
76	SMP Automotive Systems Mexico S.A. de C.V. <sup>13</sup>	March 31, 2014	MXP	91,847 shares of \$1000 each held by SMP Automotive Technology Iberica S.L.	91,847	100%-1share	-	-	Nil	(39.62)	Nil	(181.77)	(64.97)	(298.10)	NA	NA

Indian Rupee figures have been arrived at by applying the year end interbank exchange rate, Euro 1 = ₹ 82.50, USD 1 = ₹ 59.91, SGD 1 = ₹ 47.65, GBP 1 = ₹ 99.82, CZK 1 = ₹ 2.99, AUD 1 = ₹ 55.49, ZAR 1 = ₹ 5.69, JPY 1 = ₹ 0.58, KRW 1 = ₹ 0.06, CNY 1 = ₹ 9.64, HUF 1 = ₹ 0.23, MXP 1 = ₹ 4.59, THB 1 = ₹ 1.85



Statement Pursuant to Section 212 of The Companies Act, 1956 relating to Subsidiary Companies

(All amounts are in Million, unless otherwise stated)

S. No.	Particulars	Reporting Dates used for Consolidation	Reporting Currency	Number of shares held in Subsidiary Company as on Reporting Date:	Equity (Nos.)	Extent of Holding (%)	Preference (Nos.)	Extent of Holding (%)	Net aggregate amounts of profits/(losses) of the Subsidiary Companies so far as those profits are dealt with, or provision is made for those losses in the Accounts of the holding Company	Net aggregate amounts of profits/(losses) of the Subsidiary Companies so far as it concerns the members of the Holding Company and is not dealt in the accounts of the Holding Company			Changes in the interest of the Holding company in the subsidiary between the end of the financial year of the subsidiary and that of the Holding Company	Material changes between the end of the financial year of the subsidiary and that of the Holding Company			
										Profits of the Subsidiary Companies for the financial year ended 31st March, 2014		Profits/Losses of the Subsidiary Companies for the financial year ended March 31, 2014 (Figures in million)			Profits for the previous financial years of the Subsidiary Companies since it became a subsidiary of the Holding Company (Figures in million)		
										Reporting Currency	Nil	Reporting Currency			Nil	Reporting Currency	INR
77	SMP Tecnologia Parachoques S.A. de C.V. <sup>13</sup>	March 31, 2014	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	Nil	1.22	(1.05)	(4.83)	NA	NA		
78	SMP Shock Absorber Fabrication Mexico S.A. de C.V. <sup>13</sup>	March 31, 2014	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	Nil	(0.10)	(1.01)	(4.62)	NA	NA		
79	SMP Produtos Automotivos do Brasil Ltda. <sup>13</sup>	March 31, 2014	BRL	69,995,997 Shares of Reals 1 each held by SMP Automotive Technology Iberica S.L.	69,995,997	100%-1 share	-	-	Nil	Nil	(43.78)	(92.35)	(2,435.77)	NA	NA		

Indian Rupee figures have been arrived at by applying the year end interbank exchange rate, Euro 1 = ₹ 82.50, USD 1 = ₹ 59.91, SGD 1 = ₹ 47.65, GBP 1 = ₹ 99.82, CZK 1 = ₹ 2.99, AUD 1 = ₹ 55.49, ZAR 1 = ₹ 5.69, JPY 1 = ₹ 0.58, KRW 1 = ₹ 0.06, CNY 1 = ₹ 9.64, HUF 1 = ₹ 0.23, MXP 1 = ₹ 4.59, THB 1 = ₹ 1.85

**Statement Pursuant to Section 212 of The Companies Act, 1956 relating to Subsidiary Companies**

(All amounts are in Million, unless otherwise stated)

S. No.	Particulars	Reporting Dates used for Consolidation	Reporting Currency	Number of shares held in Subsidiary Company as on Reporting Date:	Equity (Nos.)	Extent of Holding (%)	Preference (Nos.)	Extent of Holding (%)	Net aggregate amounts of profits/(losses) of the Subsidiary Companies so far as those profits are dealt with, or provision is made for those losses in the Accounts of the holding Company	Net aggregate amounts of profits/(losses) of the Subsidiary Companies so far as it concerns the members of the Holding Company and is not dealt in the accounts of the Holding Company				Changes in the interest of the Holding company in the subsidiary between the end of the financial year of the subsidiary and that of the Holding Company	Material changes between the end of the financial year of the subsidiary and that of the Holding Company
										Profits of the Subsidiary Companies for the financial year ended 31st March, 2014	Profits for the previous financial year of the Subsidiary Companies since it became a subsidiary of the Holding Company	Profits/Losses of the Subsidiary Companies for the financial year ended March 31, 2014 (Figures in million)	Profits for the previous financial years of the Subsidiary Companies since it became a subsidiary of the Holding Company (Figures in million)		
80	Foshan Peguform Automotive Plastics Technology Co. Ltd. <sup>12</sup>	March 31, 2014	CNY	28,000,000 Shares of RMB 1 each held by SMP Deutschland GmbH	28,000,000	100%	-	-	Nil	Nil	(5.76)	(0.17)	(1.65)	NA	NA
81	SMP Automotive Exterior GmbH <sup>14</sup>	March 31, 2014	EUR	25,000 Equity Shares of EUR 1 each held by Samvardhana Motherson Peguform GmbH	25,000	100%	-	-	Nil	Nil	(1.46)	-	-	NA	NA

**Notes**

- Subsidiary of MSSL Mideast (FZE)
- Subsidiary of MSSL Mauritius Holdings Limited
- Subsidiary of MSSL (S) Pte Ltd.
- Subsidiary of MSSL GmbH
- Subsidiary of Global Environment Management (FZC)
- Subsidiary of MSSL Australia Pty Limited
- Subsidiary of Samvardhana Motherson Global Holdings Limited
- Subsidiary of Samvardhana Motherson Reflectec Group Holdings Limited
- Subsidiary of Samvardhana Motherson Polymers Limited
- Subsidiary of Samvardhana Motherson Automotive Systems Group B.V. (Formerly Samvardhana Motherson B.V.)
- Subsidiary of Samvardhana Motherson Peguform GmbH & Samvardhana Motherson Global Holdings Limited
- Subsidiary of SMP Deutschland GmbH
- Subsidiary of SMP Automotive Technology Iberica S.L.
- Subsidiary of Samvardhana Motherson Peguform GmbH

\* Dividend distributed by the Company is more than net aggregate amount of profits since it became subsidiary, dividend payment above profits has been considered as paid from opening reserves.

Indian Rupee figures have been arrived at by applying the year end interbank exchange rate, Euro 1 = ₹ 82.50, USD 1 = ₹ 59.91, SGD 1 = ₹ 47.65, GBP 1 = ₹ 99.82, CZK 1 = ₹ 2.99, AUD 1 = ₹ 55.49, ZAR 1 = ₹ 5.69, JPY 1 = ₹ 0.58, KRW 1 = ₹ 0.06, CNY 1 = ₹ 9.64, HUF 1 = ₹ 0.23, MXP 1 = ₹ 4.59, THB 1 = ₹ 1.85

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

(Figures in ₹ Million)

S. No.	Name of the Company	Country of Incorporation	MSSL Holding as at 31/03/2014	Dates on which financial year of the subsidiary company ends	Reporting Currency	Exchange Rate	Share Capital	Reserve and Surplus	Total Liabilities	Net Fixed Assets	Investment (Current & Non Current)	Total Assets	Sales	PBT	Taxation	PAT
1	MSSL Mauritius Holdings Limited	Mauritius	100.0%	March 31, 2014	EUR	82.50	3,120.01	(299.32)	3,408.71	-	1,773.07	3,408.71	-	(141.57)	2.02	(143.59)
2	Motherson Electrical Wires Lanka Pvt. Ltd.	Sri Lanka	100.0%	March 31, 2014	USD	59.91	9.10	963.30	996.90	74.34	-	996.90	1,516.63	315.49	37.20	278.29
3	MSSL Mideast (FZE)	UAE	100.0%	March 31, 2014	EUR	82.50	2,113.70	4,354.68	7,371.96	27.99	1,668.58	7,371.96	3,309.31	674.11	-	674.11
4	MSSL (S) Pte Ltd	Singapore	100.0%	March 31, 2014	SGD	47.65	693.53	70.78	1,058.73	57.86	959.95	1,058.73	-	(19.70)	0.29	(20.00)
5	MSSL Handels GmbH	Austria	100.0%	March 31, 2014	EUR	82.50	2.89	(10.60)	0.35	(0.00)	-	0.35	-	(0.00)	0.25	(0.25)
6	MSSL Automobile Component Ltd.	India	100.0%	March 31, 2014	INR	1.00	0.50	(0.16)	0.37	-	-	0.37	-	(0.04)	-	(0.04)
7	Samvardhana Motherson Polymers Ltd.	India	51.0%	March 31, 2014	INR	1.00	36.75	366.97	2,521.52	-	527.82	2,521.52	-	(131.70)	-	(131.70)
8	MSSL GB Limited <sup>1</sup>	UK	100.0%	March 31, 2014	GBP	99.82	0.10	136.15	440.10	1.20	-	440.10	1,391.85	98.13	22.63	75.50
9	Motherson Wiring System (FZE) <sup>1</sup>	UAE	100.0%	March 31, 2014	EUR	82.50	2.65	(133.04)	84.32	18.78	-	84.32	-	(33.94)	-	(33.94)
10	MSSL Tooling (FZE) <sup>1</sup>	UAE	100.0%	March 31, 2014	EUR	82.50	2.68	241.61	315.31	44.55	-	315.31	541.42	134.24	-	134.24
11	MSSL GmbH <sup>1</sup> (including MSSL Polymers GmbH merged with the company w.e.f 26.08.2013)	Germany	100.0%	December 31, 2013	EUR	82.50	20.62	703.89	1,379.69	95.25	489.90	1,379.69	475.16	109.45	0.00	109.45
12	Motherson Techno Precision Mexico S.A. de C.V. <sup>4</sup>	Mexico	100.0%	December 31, 2013	MXP	4.59	0.23	(76.21)	268.27	212.65	-	268.27	-	(75.45)	0.76	(76.21)
13	Samvardhana Motherson Invest Deutschland GmbH <sup>4</sup>	Germany	100.0%	December 31, 2013	EUR	82.50	16.50	78.37	311.50	296.81	-	311.50	89.02	9.11	0.00	9.11
14	MSSL Advanced Polymers s.r.o. <sup>4</sup>	Czech Republic	100.0%	December 31, 2013	CZK	2.99	5.99	37.37	894.05	559.24	-	894.05	890.34	(23.37)	0.19	(23.56)
15	Motherson Orca Precision Technology GmbH <sup>4</sup>	Germany	95.1%	December 31, 2013	EUR	82.50	82.50	27.45	688.18	261.84	-	688.18	1,023.80	13.00	0.01	12.99
16	MSSL S.r.l. Unipersonale <sup>4</sup>	Italy	100.0%	December 31, 2013	EUR	82.50	0.82	(5.15)	11.05	0.87	-	11.05	17.62	0.68	-	0.68
17	MSSL Australia Pty Limited <sup>3</sup>	Australia	80.0%	March 31, 2014	AUD	55.49	194.21	104.51	314.76	0.02	0.01	314.76	-	28.58	8.55	20.03
18	Motherson Elastomers Pty Ltd. <sup>6</sup>	Australia	100.0%	March 31, 2014	AUD	55.49	0.01	237.03	465.66	97.43	-	465.66	1,115.28	(8.05)	(1.42)	(6.63)

Indian Rupee figures have been arrived at by applying the year end interbank exchange rate, Euro 1 = ₹ 82.50, USD 1 = ₹ 59.91, SGD 1 = ₹ 47.65, GBP 1 = ₹ 99.82, CZK 1 = ₹ 2.99, AUD 1 = ₹ 55.49, ZAR 1 = ₹ 5.69, JPY 1 = ₹ 0.58, KRW 1 = ₹ 0.06, CNY 1 = ₹ 9.64, HUF 1 = ₹ 0.23, MXP 1 = ₹ 4.59, THB 1 = ₹ 1.85

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S. No.	Name of the Company	Country of Incorporation	MSSL Holding as at 31/03/2014	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 ₹ Million)	
															Taxation	PAT
19	Motherson Investment Pty. Ltd. <sup>6</sup>	Australia	100.0%	March 31, 2014	AUD	55.49	0.01	(12.67)	234.72	217.86	-	234.72	-	3.87	2.14	1.73
20	MSSL Ireland Private Ltd. <sup>2</sup>	Ireland	100.0%	March 31, 2014	EUR	82.50	4.12	12.97	21.43	0.09	-	21.43	-	3.99	0.88	3.10
21	Global Environment Management (FZC) <sup>2</sup>	UAE	78.82%	March 31, 2014	AUD	55.49	388.38	(167.18)	306.30	-	-	306.30	26.53	11.15	-	11.15
22	Global Environment Management Australia Pty Ltd <sup>5</sup>	Australia	100.0%	March 31, 2014	AUD	55.49	0.00	(296.49)	5.07	-	-	5.07	18.32	(5.58)	-	(5.58)
23	MSSL Global RSA Module Engineering Ltd. <sup>2</sup>	South Africa	100.0%	March 31, 2014	ZAR	5.69	341.61	(90.08)	2,856.60	1,948.66	-	2,856.60	2,295.11	203.56	-	203.56
24	MSSL Japan Limited <sup>3</sup>	Japan	100.0%	March 31, 2014	JPY	0.58	10.16	19.68	486.54	1.94	-	486.54	1,362.76	67.60	15.76	51.84
25	Vacuum 2000 (Proprietary) Ltd. <sup>2</sup>	South Africa	51.0%	March 31, 2014	ZAR	5.69	6.26	(163.92)	396.53	112.89	-	396.53	475.39	14.16	-	14.16
26	MSSL México, S.A. De C.V. <sup>3</sup>	Mexico	100.0%	March 31, 2014	MXP	4.59	462.82	(89.61)	528.62	213.64	-	528.62	201.62	(73.22)	(24.11)	(49.12)
27	MSSL WH System (Thailand) Co., Ltd <sup>3</sup>	Thailand	100.0%	March 31, 2014	THB	1.85	238.14	(111.77)	210.29	51.85	-	210.29	162.04	(68.13)	-	(68.13)
28	MSSL Korea WH Limited <sup>3</sup>	South Korea	100.0%	March 31, 2014	KRW	0.06	11.25	(8.89)	24.99	0.20	-	24.99	11.69	(2.05)	-	(2.05)
29	Samvaradhana Motherson Global Holdings Limited <sup>2</sup>	Cyprus	51.0%	March 31, 2014	EUR	82.50	165.82	2,063.75	3,061.24	-	2,810.63	3,061.24	-	5.78	-	5.78
30	Samvaradhana Motherson Reflectec Group Holdings Limited <sup>7</sup>	Jersey	93.63%	March 31, 2014	EUR	82.50	2,512.01	2,942.22	9,454.13	-	6,621.46	9,454.13	2.06	1,314.57	-	1,314.57
31	SMR Automotive Holding Hong Kong Limited <sup>8</sup>	Hong Kong	100.0%	March 31, 2014	EUR	82.50	189.77	166.18	361.01	-	190.82	361.01	-	165.21	-	165.21
32	SMR Automotive Technology Holding Cyprus Ltd. <sup>8</sup>	Cyprus	100.0%	March 31, 2014	EUR	82.50	164.89	4,339.35	5,515.36	-	5,513.38	5,515.36	-	269.47	-	269.47
33	SMR Automotive Mirror Systems Holding Deutschland GmbH <sup>6</sup>	Germany	100.0%	March 31, 2014	EUR	82.50	2.10	(2.10)	2,584.63	-	274.89	2,584.63	-	1,284.40	(276.21)	1,560.62

Indian Rupee figures have been arrived at by applying the year end interbank exchange rate, Euro 1 = ₹ 82.50, USD 1 = ₹ 59.91, SGD 1 = ₹ 47.65, GBP 1 = ₹ 99.82, CZK 1 = ₹ 2.99, AUD 1 = ₹ 55.49, ZAR 1 = ₹ 5.69, JPY 1 = ₹ 0.58, KRW 1 = ₹ 0.06, CNY 1 = ₹ 9.64, HUF 1 = ₹ 0.23, MXP 1 = ₹ 4.59, THB 1 = ₹ 1.85

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															Taxation	PAT
34	SMR Poong Jeong Automotive Mirrors Korea Ltd. <sup>8</sup>	South Korea	89.9%	December 31, 2013	KRW	0.06	253.46	3,120.22	6,554.33	1,596.35	1,233.56	6,554.33	16,105.48	883.54	78.38	805.16
35	SMR Hyosang Automotive Ltd. <sup>8</sup>	South Korea	100.0%	December 31, 2013	KRW	0.06	25.32	849.55	1,778.38	732.55	-	1,778.38	4,966.15	204.69	43.43	161.27
36	SMR Automotive (Langfang) Co. Ltd. <sup>8</sup>	China	100.0%	December 31, 2013	CNY	9.64	469.96	(115.71)	1,124.46	1,081.62	-	1,124.46	88.66	(105.83)	-	(105.83)
37	SMR Holding Australia Pty Limited <sup>8</sup>	Australia	100.0%	March 31 2014	AUD	55.49	1,882.93	(21.35)	2,099.14	-	1,796.04	2,099.14	-	550.07	(1.44)	551.52
38	SMR Automotive Australia Pty Limited <sup>8</sup>	Australia	100.0%	March 31, 2014	AUD	55.49	626.08	1,287.22	3,965.40	683.35	25.30	3,965.40	7,174.14	1,145.90	330.15	815.76
39	SMR Automotive Mirror Technology Hungary Bt <sup>8</sup>	Hungary	100.0%	March 31 2014	EUR	82.50	83.92	1,194.88	8,740.50	3,933.81	-	8,740.50	27,008.75	1,088.19	26.29	1,061.89
40	SMR Grundbesitz GmbH & Co. KG <sup>8</sup>	Germany	94.0%	March 31 2014	EUR	82.50	4.58	444.89	463.22	415.85	-	463.22	-	45.57	15.14	30.43
41	SMR Automotive Mirror Parts and Holdings UK Ltd. <sup>8</sup>	UK	100.0%	March 31 2014	EUR	82.50	0.01	12,621.41	14,463.56	-	4,905.25	14,463.56	-	12,300.82	-	12,300.82
42	SMR Automotive Mirrors UK Limited <sup>8</sup>	UK	100.0%	March 31 2014	EUR	82.50	-	785.28	3,713.56	491.68	-	3,713.56	11,671.79	125.48	68.88	56.59
43	SMR Automotive Technology Valencia SAU <sup>8</sup>	Spain	100.0%	March 31 2014	EUR	82.50	428.95	(205.11)	229.56	177.60	5.06	229.56	-	1.41	-	1.41
44	SMR Automotive Services UK Ltd. <sup>8</sup>	UK	100.0%	March 31 2014	GBP	99.82	-	166.10	166.10	-	38.93	166.10	-	150.33	-	150.33
45	SMR Automotive Technology Holdings USA Partners <sup>8</sup>	USA	100.0%	March 31 2014	USD	59.91	-	-	-	-	-	-	-	10,309.10	-	10,309.10
46	SMR Automotive Mirror International USA Inc. <sup>8</sup>	USA	100.0%	March 31 2014	USD	59.91	6,205.60	(1,751.00)	4,960.54	-	4,960.54	4,960.54	-	467.01	-	467.01
47	SMR Automotive Systems USA Inc. <sup>8</sup>	USA	100.0%	March 31 2014	USD	59.91	4.49	3,486.87	6,321.73	2,428.92	-	6,321.73	10,909.11	1,587.32	492.65	1,094.67
48	SMR Automotive Systems France S. A. <sup>8</sup>	France	100.0%	March 31 2014	EUR	82.50	3.30	1.27	1,963.28	649.89	-	1,963.28	3,910.09	(249.10)	(48.89)	(200.21)
49	SMR Automotive Systems India Limited <sup>8</sup>	India	100.0%	March 31 2014	INR	1.00	137.00	675.13	1,704.04	498.71	-	1,704.04	3,486.44	170.05	59.85	110.20

Indian Rupee figures have been arrived at by applying the year end interbank exchange rate, Euro 1 = ₹ 82.50, USD 1 = ₹ 59.91, SGD 1 = ₹ 47.65, GBP 1 = ₹ 99.82, CZK 1 = ₹ 2.99, AUD 1 = ₹ 55.49, ZAR 1 = ₹ 5.69, JPY 1 = ₹ 0.58, KRW 1 = ₹ 0.06, CNY 1 = ₹ 9.64, HUF 1 = ₹ 0.23, MXP 1 = ₹ 4.59, THB 1 = ₹ 1.85

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															Taxation	PAT
50	SMR Automotive Yancheng Co. Limited <sup>8</sup>	China	100.0%	December 31, 2013	CNY	9.64	188.73	465.60	849.23	194.47	-	849.23	1,247.16	307.89	77.89	229.99
51	SMR Automotive Beijing Company Limited <sup>8</sup>	China	100.0%	December 31, 2013	CNY	9.64	32.39	487.60	914.54	115.67	-	914.54	2,354.39	151.78	38.63	113.15
52	SMR Automotive Mirror Technology Holding Hungary Kft <sup>8</sup>	Hungary	100.0%	March 31 2014	EUR	82.50	0.85	1,127.72	1,133.30	-	1,131.86	1,133.30	0.41	556.06	0.01	556.05
53	SMR Automotive Systems Spain S.A.U. <sup>8</sup>	Spain	100.0%	March 31, 2014	EUR	82.50	96.19	747.50	3,163.94	785.82	183.28	3,163.94	3,068.58	413.16	52.45	360.71
54	SMR Automotive Vision Systems Mexico S.A. de C.V. <sup>8</sup>	Mexico	100.0%	December 31, 2013	USD	59.91	4,742.66	1,135.69	34,623.54	13,117.40	595.61	34,623.54	60,685.40	5,448.84	1,649.57	3,799.27
55	SMR Automotive Servicios Mexico S.A. de C.V. <sup>8</sup>	Mexico	99.998%	March 31 2014	MXP	4.59	0.23	75.43	117.11	(0.02)	-	117.11	529.56	28.62	1.09	27.53
56	SMR Automotive Mirrors Stuttgart GmbH <sup>8</sup>	Germany	100.0%	March 31 2014	EUR	82.50	2.06	-	2,238.47	67.84	8.25	2,238.47	123.37	950.70	6.11	944.59
57	SMR Patents S.a.R.L. <sup>9</sup>	Luxembourg	100.0%	March 31, 2014	EUR	82.50	1.03	(14.15)	122.18	15.92	-	122.18	-	46.09	11.31	34.79
58	SMR Automotive Beteiligungen Deutschland GmbH <sup>8</sup>	Germany	100.0%	March 31, 2014	EUR	82.50	2.06	59.60	98.03	-	-	98.03	-	28.65	4.89	23.76
59	SMR Automotive Brasil Ltda. <sup>8</sup>	Brasil	100.0%	December 31, 2013	BRL	26.38	880.45	(455.91)	1,501.23	964.35	-	1,501.23	821.11	(139.45)	-	(139.45)
60	SMR Automotive System (Thailand) Limited <sup>8</sup>	Thailand	100.0%	March 31, 2014	THB	1.85	591.66	(268.47)	854.68	499.96	-	854.68	768.51	(162.70)	-	(162.70)
61	SMR Automotive Operations Japan K.K. <sup>8</sup>	Japan	100.0%	March 31 2014	JPY	0.58	14.51	(0.89)	42.32	0.60	-	42.32	-	17.50	11.48	6.02
62	SMR Automotive Systems Macedonia Doel Skopje <sup>8</sup>	Macedonia	100.0%	March 31 2014	EUR	82.50	0.41	(14.88)	0.42	-	-	0.42	-	(9.49)	-	(9.49)
63	SMR Automotive Vision Systems Operations USA Inc. <sup>8</sup>	USA	100.0%	March 31, 2014	USD	59.91	0.00	3,363.11	3,387.19	-	3,387.13	3,387.19	-	(23.96)	-	(23.96)
64	SMR Mirrors UK Ltd. <sup>9</sup>	UK	100.0%	March 31 2014	EUR	82.50	0.01	3,386.77	11,774.17	-	11,774.11	11,774.17	-	-	-	-

Indian Rupee figures have been arrived at by applying the year end interbank exchange rate. Euro 1 = ₹ 82.50, USD 1 = ₹ 59.91, SGD 1 = ₹ 47.65, GBP 1 = ₹ 99.82, CZK 1 = ₹ 2.99, AUD 1 = ₹ 55.49, ZAR 1 = ₹ 5.69, JPY 1 = ₹ 0.58, KRW 1 = ₹ 0.06, CNY 1 = ₹ 9.64, HUF 1 = ₹ 0.23, MXP 1 = ₹ 4.59, THB 1 = ₹ 1.85



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(Figures in ₹ Million)

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65	Samvardhana Motherson Automotive Systems Group B.V. (Formerly Samvardhana Motherson B.V.(NL)) <sup>9</sup>	Netherlands	100.0%	December 31, 2013	EUR	82.50	1.48	(623.70)	5,003.37	-	4,165.32	5,003.37	-	(776.09)	-	(776.09)
66	Samvardhana Motherson Peguform GmbH <sup>10</sup>	Germany	100.0%	December 31, 2013	EUR	82.50	2.06	1,408.93	12,670.64	-	9,320.64	12,670.64	-	2,284.19	245.26	2,038.93
67	SMP Deutschland GmbH <sup>11</sup>	Germany	83.72%	December 31, 2013	EUR	82.50	2.06	5,642.00	34,112.81	10,799.24	915.39	34,112.81	72,048.89	3,239.98	433.92	2,806.06
68	SMP Logistik Service GmbH <sup>12</sup> (earlier known as SMP Automotive Solutions Personal Leasing GmbH)	Germany	100.0%	December 31, 2013	EUR	82.50	2.06	31.02	40.55	-	-	40.55	205.89	7.56	0.16	7.41
69	SMP Automotive Solutions Slovakia s.r.o. <sup>12</sup>	Slovakia	100.0%	December 31, 2013	EUR	82.50	0.41	(211.68)	288.34	205.80	-	288.34	415.83	(132.28)	14.50	(146.78)
70	Changchun Peguform Automotive Plastics Technology Co., Ltd. <sup>12</sup>	China	50% + 1 share	December 31, 2013	CNY	9.64	799.91	2,977.73	6,711.20	2,261.04	269.85	6,711.20	12,752.39	1,763.04	306.15	1,456.89
71	SMP Automotive Technology Management Services (Changchun) Co., Ltd. <sup>12</sup>	China	100.0%	December 31, 2013	CNY	9.64	12.94	(30.05)	17.57	0.13	-	17.57	-	5.39	0.64	4.75
72	SMP Automotive Technology Iberica S.L. <sup>10</sup>	Spain	83.72%	December 31, 2013	EUR	82.50	1,172.60	(2,794.88)	11,869.04	2,978.77	2,100.68	11,869.04	12,680.06	(4,257.46)	394.99	(4,652.45)
73	Samvardhana Motherson Peguform Barcelona S.L.U. <sup>13</sup>	Spain	100.0%	December 31, 2013	EUR	82.50	20.87	(10.15)	2,396.76	302.51	922.80	2,396.76	28,687.76	26.81	60.63	(33.82)
74	SMP Automotive Technologies Teruel Sociedad Limitada <sup>13</sup>	Spain	100.0%	December 31, 2013	EUR	82.50	247.49	(105.18)	490.19	378.08	3.13	490.19	740.48	32.42	92.31	(59.89)

Indian Rupee figures have been arrived at by applying the year end interbank exchange rate, Euro 1 = ₹ 82.50, USD 1 = ₹ 59.91, SGD 1 = ₹ 47.65, GBP 1 = ₹ 99.82, CZK 1 = ₹ 2.99, AUD 1 = ₹ 55.49, ZAR 1 = ₹ 5.69, JPY 1 = ₹ 0.58, KRW 1 = ₹ 0.06, CNY 1 = ₹ 9.64, HUF 1 = ₹ 0.23, MXP 1 = ₹ 4.59, THB 1 = ₹ 1.85

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75	Samvardhana Motherson Peguform Automotive Technology Portugal S.A. <sup>13</sup> PAINTYES – Sociedade Portuguesa de Pintura, S.A., merged with the company w.e.f 30.12.2013)	Portugal	100.0%	December 31, 2013	EUR	82.50	4.12	42.30	717.35	299.47	-	717.35	6,678.47	(129.00)	51.34	(180.34)
76	SMP Automotive Systems Mexico S.A. de C.V. <sup>13</sup>	Mexico	100%-1share	December 31, 2013	MXP	4.59	535.11	(413.13)	1,685.00	848.11	-	1,685.00	4,189.05	(324.65)	(10.62)	(314.03)
77	SMP Tecnologia Parachoques S.A. de C.V. <sup>13</sup>	Mexico	100%-1share	December 31, 2013	MXP	4.59	0.27	8.56	27.94	-	-	27.94	212.48	12.17	6.89	5.28
78	SMP Shock Absorber Fabrication Mexico S.A. de C.V. <sup>13</sup>	Mexico	100%-1share	December 31, 2013	MXP	4.59	0.27	15.09	51.33	-	-	51.33	338.63	11.92	13.80	(1.88)
79	SMP Produtos Automotivos do Brasil Ltda. <sup>13</sup>	Brazil	100%-1share	December 31, 2013	BRL	26.38	1,846.20	(1,693.67)	4,623.05	2,698.30	-	4,623.05	7,257.70	(1,119.94)	-	(1,119.94)
80	Foshan Peguform Automotive Plastics Technology Co. Ltd. <sup>12</sup>	China	100.0%	December 31, 2013	CNY	9.64	269.85	(39.51)	795.91	432.96	-	795.91	-	(39.51)	-	(39.51)
81	SMP Automotive Exterior GmbH <sup>14</sup>	Germany	100.0%	December 31, 2013	EUR	82.50	2.06	659.97	2,268.88	1,608.49	-	2,268.88	0.20	(161.39)	-	(161.39)

## 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 Automotive Systems Group B.V. (Formerly Samvardhana Motherson B.V.)
- 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.
- 14 Subsidiary of Samvardhana Motherson Peguform GmbH

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# 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 companies; hereinafter referred to as the "Group" (refer Note 34 to the attached consolidated financial statements) which comprise the consolidated Balance Sheet as at March 31, 2014, 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 and other applicable authoritative pronouncements 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
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, 2014;
  - (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 Matters

8. We did not audit the financial statements of 20 subsidiaries and 3 jointly controlled entities included in the consolidated financial statements, which constitute total assets of ₹117,563 million and net assets of ₹16,329 million as at March 31, 2014, total revenue of ₹245,056 million, net profit of ₹3,807 million and net cash flows amounting to ₹3,033 million 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.

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

**Rajib Chatterjee**  
Partner  
Membership Number  
057134

Place: Noida  
Date: May 22, 2014

## Consolidated Balance Sheet

(All amounts are in ₹ Million, unless otherwise stated)

	Note	As At March 31, 2014	As At March 31, 2013
<b>Equity and Liabilities</b>			
<b>Shareholders' Funds</b>			
Share capital	3	882	588
Reserves and Surplus	4	28,711	22,302
		<b>29,593</b>	<b>22,890</b>
<b>Minority Interest</b>		7,896	4,025
<b>Non Current Liabilities</b>			
Long term borrowings	5	29,834	27,159
Deferred tax liabilities (net)	6	1,680	1,441
Other long term liabilities	7	2,083	2,388
Long term provisions	8	2,043	1,679
		<b>35,640</b>	<b>32,667</b>
<b>Current Liabilities</b>			
Short term borrowings	9	10,111	13,553
Trade payables	10	40,917	31,808
Other current liabilities	11	24,767	19,756
Short term provisions	12	4,699	3,576
		<b>80,494</b>	<b>68,693</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>153,623</b>	<b>128,275</b>
<b>Assets</b>			
<b>Non Current Assets</b>			
<b>Fixed Assets</b>	13		
Tangible assets		56,485	50,563
Intangible assets		2,704	2,207
Capital work in progress		6,467	3,855
Intangible assets under development		4	4
Non current investments	14	749	716
Deferred tax assets (net)	15	1,184	882
Long term loans and advances	16	3,566	1,507
Other non-current assets	17	1,909	1,354
		<b>73,068</b>	<b>61,088</b>
<b>Current Assets</b>			
Current investments*	18	0	0
Inventories	19	32,822	26,036
Trade receivables	20	32,384	29,400
Cash and bank balances	21	9,061	5,944
Short term loans and advances	22	6,162	5,708
Other current assets	23	126	99
		<b>80,555</b>	<b>67,187</b>
<b>TOTAL ASSETS</b>		<b>153,623</b>	<b>128,275</b>

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: 012754N**  
Chartered Accountants

**V.C. SEHGAL**  
Chairman

**NORIYO NAKAMURA**  
Director

**PANKAJ MITAL**  
Chief Operating Officer

**RAJIB CHATTERJEE**  
Partner  
M.No.: 057134

**G.N. GAUBA**  
Chief Financial Officer &  
Company Secretary

Place: Noida  
Date : May 22, 2014

# Consolidated Statement of Profit and Loss

(All amounts are in ₹ Million, unless otherwise stated)

	Note	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>Revenue</b>			
Revenue from operations (gross)		309,974	258,788
Less: Excise duty		5,695	5,664
Revenue from operations (net)	24	304,279	253,124
Other Income	25	3,106	3,215
<b>Total Revenue</b>		<b>307,385</b>	<b>256,339</b>
<b>Expenses</b>			
Cost of materials consumed	26	195,557	166,860
Purchase of stock-in-trade		1,093	1,008
Changes in inventories of finished goods, work-in-progress and stock in trade	27	(3,036)	(3,030)
Employee benefits expense	28	51,064	42,827
Other expenses	29	35,630	30,692
<b>Total Expenses</b>		<b>280,308</b>	<b>238,357</b>
<b>Profit before Interest and depreciation</b>		<b>27,077</b>	<b>17,982</b>
Finance costs	30	2,943	2,495
<b>Profit for the year before depreciation</b>		<b>24,134</b>	<b>15,487</b>
Depreciation and amortization expense	31	8,172	7,145
<b>Profit before tax</b>		<b>15,962</b>	<b>8,342</b>
<b>Tax expenses</b>			
- Current tax		5,173	3,851
- Deferred tax expense/ (credit)		(209)	(20)
- Fringe benefit tax		35	50
- Income tax for earlier years		(5)	(46)
<b>Profit after tax before share of results of associates and minority interests</b>		<b>10,968</b>	<b>4,507</b>
Less: Minority Interest / (Loss)		3,316	70
Add: Share of net profit of associates		(2)	8
<b>Profit for the year from continuing operations</b>		<b>7,650</b>	<b>4,445</b>
Earnings per share: (Refer Note 37)			
Nominal value per share: ₹ 1/- (Previous year : ₹ 1/-)			
Basic : ₹ Per share		8.7	5.0
Diluted : ₹ Per share		8.7	5.0
Summary of significant accounting policies	2		

This is the Consolidated Statement of Profit and 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: 012754N**  
Chartered Accountants

**RAJIB CHATTERJEE**  
Partner  
M.No.: 057134

Place: Noida  
Date : May 22, 2014

**V.C. SEHGAL**  
Chairman

**NORIYO NAKAMURA**  
Director

**PANKAJ MITAL**  
Chief Operating Officer

**G.N. GAUBA**  
Chief Financial Officer &  
Company Secretary

## Consolidated Cash Flow Statement

(All amounts in ₹ Million, unless otherwise stated)

	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>A. Cash flow from operating activities:</b>		
<b>Net (loss)/profit before tax and exceptional/extraordinary items</b>	<b>15,960</b>	<b>8,350</b>
Adjustments for:		
Share of (profit)/loss in associate	2	(8)
Depreciation & Amortisation	8,172	7,145
Interest expenditure	2,929	2,495
Interest income	(165)	(121)
Dividend income	(3)	(2)
(Profit) / Loss on sale of tangible assets (net)	(37)	(93)
Profit on sale of Long Term Investments *	(0)	-
Change in carrying amount of current investment	(1)	(1)
Debts / Advances written off	66	90
Provision for Bad & Doubtful Debts / Advances	111	115
Liability no longer required written back	(396)	(286)
Provision for employee benefits	152	190
Provision for warranty	333	(9)
Unrealised foreign currency loss	3,021	1,676
<b>Operating profit before working capital changes</b>	<b>30,144</b>	<b>19,541</b>
<b>Change in working Capital:</b>		
(Increase)/Decrease in trade and other payables	14,078	1,283
(Increase)/Decrease in trade receivables	(3,549)	561
(Increase)/Decrease in inventories	(6,786)	(3,540)
(Increase)/Decrease in other receivables	(1,340)	677
<b>Cash generated from operations</b>	<b>32,547</b>	<b>18,522</b>
- Taxes (Paid) / Received (Net of TDS)	(5,597)	(3,662)
<b>Net cash generated from operations before extra ordinary items</b>	<b>26,950</b>	<b>14,860</b>
- Extraordinary /exceptional Item (Expense)/ Income	-	-
<b>Net cash generated from operating activities</b>	<b>26,950</b>	<b>14,860</b>
<b>B. Cash flow from Investing activities:</b>		
Purchase/ additions of tangible / intangible assets	(14,120)	(11,389)
Sale of tangible / intangible assets	603	494
Sale / (purchase) of investments	(6)	(13)
Loan to related parties (net)	(360)	(0)
Interest received (revenue)	157	116
Dividend received	3	2
<b>Net cash used in investing activities</b>	<b>(13,723)</b>	<b>(10,790)</b>



(All amounts in ₹ Million, unless otherwise stated)

	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>C. Cash flow from financing activities:</b>		
Proceeds from Minority Shareholders	-	260
Dividend Paid	(1,195)	(868)
Dividend Distribution Tax	(200)	(144)
Dividend Paid to Minority Share holders	(540)	(1,120)
Interest paid	(2,881)	(2,537)
Proceeds from Long Term borrowings	9,565	4,463
Proceeds from Short Term borrowings	5,402	8,098
Repayment of Long Term Borrowings	(11,176)	(5,087)
Repayment of Short Term Borrowings	(9,792)	(5,639)
Proceeds from Government subsidy	16	16
<b>Net cash used in financing activities</b>	<b>(10,801)</b>	<b>(2,558)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>2,426</b>	<b>1,512</b>
<b>Net Cash and Cash equivalents at the beginning of the year</b>	<b>5,845</b>	<b>4,429</b>
<b>Cash and cash equivalents as at current year closing</b>	<b>8,271</b>	<b>5,941</b>
<b>Cash and cash equivalents comprise</b>		
Cash on hand	23	30
Cheques / drafts on hand	21	30
Balance with Banks	8,261	5,785
<b>Cash and cash equivalents as per Balance Sheet (restated)</b>	<b>8,305</b>	<b>5,845</b>
Effect of exchange differences on balance with banks in foreign currency	(34)	96
<b>Total</b>	<b>8,271</b>	<b>5,941</b>

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

i) The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard - 3 on "Cash Flow Statement" notified in Companies (Accounting Standards Rule) 2006.

(ii) Figures in brackets indicate cash outgo.

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

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

**RAJIB CHATTERJEE**  
Partner  
M.No.: 057134

Place: Noida  
Date : May 22, 2014

For and on behalf of the Board

**V.C. SEHGAL**  
Chairman

**NORIYO NAKAMURA**  
Director

**PANKAJ MITAL**  
Chief Operating Officer

**G.N. GAUBA**  
Chief Financial Officer &  
Company Secretary

# Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

## 1. General Information

Motherson Sumi Systems Limited (MSSL or 'the Company') is incorporated in India on 19<sup>th</sup> 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 83 subsidiaries, 11 Joint ventures and 2 associates. 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. Pursuant to circular 15/2013 dated 13.09.2013 read with circular 08/2014 dated 04.04.2014 till the standards of accounting or any addendum thereto are prescribed by the Central Government in consultation and recommendation of National Financial Reporting Authority, the existing accounting standards notified under the Companies Act, 1956 shall continue to apply. Consequently, 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.
  - (v) Minority Interest in the Net Assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments.
- 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

# Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

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 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 consistently valued on 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 ₹ 19,115 million (Previous Year ₹ 14,110 million) as at March 31, 2014. Such inventories are 58.2% (Previous Year 54.3%) of the group's total inventories.

## 2.3 Tangible Assets

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any, except tangible assets of the Component Division of erstwhile Motherson Auto Components Engineering Limited (MACE) and erstwhile India Nails Manufacturing Limited (formerly India Nails Manufacturing Private Limited, subsidiary which has been merged with the Company w.e.f. April 1, 2011) which have been revalued on December 31, 1998 and on March 31, 2005 respectively and except assets costing less than ₹ 5,000 to ₹ 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:

	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	10.34-25	6.67-33.33
Furniture & fixtures	16.67	6.67-33.33
Office equipment's	16.67	10-33.33
Computers	33.33	6.67-33.33
Vehicles	25	8.33-33.33

## Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

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.

### 2.4 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	20-50

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

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

### 2.7 Investments

Investments (other than investment in subsidiaries, joint ventures and associates) that are readily 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 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 2.3 for depreciation rates used for buildings.

### 2.8 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)).

# Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

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 Currency Translations and Derivative Instruments

### 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.

### Derivative Transactions

Effective April 01, 2012, the Company adopted Accounting Standard-30 "Financial Instruments: Recognition and Measurement" issued by The Institute of Chartered Accountants of India to the extent the adoption does not contradict with the accounting standards notified under section 211 (3C) of the Companies Act, 1956 and other regulatory requirements. All derivative contracts (except for forward foreign exchange contracts where Accounting Standard 11 – Accounting for the effects of changes in foreign exchange rates applies) are fair valued at each reporting date.

Accordingly, these contracts are marked to market and corresponding gain or loss is accounted for in the Statement of Profit and Loss.

## 2.10 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.

## Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

### 2.11 Other Income

#### Interest

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

#### Duty Drawback and export incentives

Income from duty drawback and export incentives is recognized on an accrual basis.

#### Dividend

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

### 2.12 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 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.



## Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

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.

### 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 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

## 2.13 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.

## 2.14 Current and Deferred Tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current taxes are determined based on respective taxable income of each of the taxable entity and tax rules applicable for respective tax jurisdictions.

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 virtual 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 are 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.

## 2.15 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.

## 2.16 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.

## 2.17 Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted by the Company. Further, inter-segment revenue have been accounted 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".

## 2.18 Cash and Cash Equivalents

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

# Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

## 2.19 Earnings per Share (EPS)

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

## 3. Share Capital

	As At March 31, 2014	As At March 31, 2013
<b>Authorised</b>		
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
<b>Issued</b>		
881,919,360 <sup>1</sup> Equity Shares of ₹ 1/- each (Previous Year 587,946,240 Equity Shares of ₹ 1/- each)	882	588
<b>Subscribed and Paid up</b>		
881,919,360 <sup>1</sup> Equity Shares of ₹ 1/- each (Previous Year 587,946,240 Equity Shares of ₹ 1/- each)	882	588
<b>Total</b>	<b>882</b>	<b>588</b>

<sup>1</sup> During the year the Company has made allotment of 293,973,120 equity shares of ₹ 1/- each (Previous year 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, 2014		As at March 31, 2013	
	Numbers	Amount	Numbers	Amount
Balance as at the beginning of the year	587,946,240	588	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 the scheme of amalgamation	-	-	4,420,360	4
Add: Bonus Shares issued by capitalisation of Securities Premium Account and Capital Redemption Reserve during the year	293,973,120	294	195,982,080	196
<b>Balance as at the end of the year</b>	<b>881,919,360</b>	<b>882</b>	<b>587,946,240</b>	<b>588</b>

### 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 are 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, 2014**

	Aggregate No of Shares issued in five years	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Equity shares allotted as fully paid bonus shares by capitalization of Securities Premium Account and Capital Redemption Reserve	489,955,200	293,973,120	195,982,080	-	-	-

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

Equity shares	As at March 31, 2014		As at March 31, 2013	
	Nos.	%	Nos.	%
Samvardhana Motherhood International Limited (formerly Samvardhana Motherhood Finance Limited)	318,531,564	36.12%	212,354,376	36.12%
Sumitomo Wiring Systems Limited	223,013,854	25.29%	148,675,903	25.29%

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.

**4. Reserves and Surplus**

	As at March 31, 2014		As at March 31, 2013	
<b>Revaluation Reserve</b>				
Balance as at the beginning of the year	96		96	
Additions during the year	-		-	
<b>Balance as at the end of the year</b>		96		96
<b>Reserve on Amalgamation</b>				
Balance as at the beginning of the year	1,663		1,663	
Additions during the year	-		-	
<b>Balance as at the end of the year</b>		1,663		1,663
<b>Securities Premium Account</b>				
Balance as at the beginning of the year	3,457		3,653	
Deductions during the year <sup>1</sup>	(144)		(196)	
<b>Balance as at the end of the year</b>		3,313		3,457
<b>General Reserve</b>				
Balance as at the beginning of the year	2,886		2,350	
Transfer from Surplus in Statement of Profit and Loss during the year	629		536	
<b>Balance as at the end of the year</b>		3,515		2,886
<b>Exchange Reserve on Consolidation</b>				
Balance as at the beginning of the year	2,073		978	
Additions during the year	1,608		1,095	
<b>Balance as at the end of the year</b>		3,681		2,073
<b>Capital Reserve on Consolidation</b>				
Balance as at the beginning of the year	1,315		1,315	
Additions during the year	-		-	
<b>Balance as at the end of the year</b>		1,315		1,315

# Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

	As at March 31, 2014	As at March 31, 2013
<b>Surplus in Statement of Profit and Loss</b>		
Balance as at the beginning of the year	10,597	8,120
Additions during the year	7,650	4,445
Transfer to General Reserve	(629)	(536)
Deductions during the year:		
Proposed dividend (Refer Note 12)	(2,205)	(1,176)
Tax on dividend (Refer Note 12)	(375)	(200)
Tax paid consolidated companies - for earlier years	(35)	(56)
<b>Balance as at the end of the year</b>	15,003	10,597
<b>Capital Redemption Reserve</b>		
Balance as at the beginning of the year	150	150
Deductions during the year <sup>1</sup>	(150)	-
<b>Balance as at the end of the year</b>	-	150
<b>Capital Reserve</b>		
Balance as at the beginning of the year	65	-
Additions during the year <sup>2</sup>	62	65
Deductions during the year	(2)	-
<b>Balance at the end of the year</b>	125	65
<b>Total</b>	<b>28,711</b>	<b>22,302</b>

<sup>1</sup> During the year the company has made allotment of 293,973,120 equity shares of ₹ 1/- each (Previous Year 195,982,080 equity shares of ₹ 1/- each) as bonus shares by capitalisation of Securities Premium Account and Capital Redemption Reserve Account.

<sup>2</sup> a) Being subsidy of ₹ 47 million under Rajasthan Promotion Scheme 2010 w.r.t. units at Rajasthan (Previous year ₹ 65 million under industrial promotion subsidy under Package Scheme of Incentives 2007 in respect of its unit at Pune) and;  
b) ₹ 15 million (Previous year ₹ Nil) from Mexican Government against cash incentive;  
recognised during the year in accordance with Accounting Standard 12 "Accounting for Government Grants"

Bracket denotes appropriations / deductions.

## 5. Long Term Borrowings

	Non Current Portion		Current Maturities	
	As At March 31, 2014	As At March 31, 2013	As At March 31, 2014	As At March 31, 2013
<b>Secured:</b>				
i) Term loan from banks				
- Foreign currency loan	22,400	21,157	5,893	6,898
ii) Term loan from others				
- Indian rupee loan	14	26	12	13
- Finance lease liabilities	1,674	1,725	639	483
<b>Unsecured:</b>				
i) Term loan from banks				
- foreign currency loan	3,840	3,647	1,702	918
ii) Term loan from others				
- Indian rupee loan	126	2	-	-
- Foreign currency loan	1,200	570	186	15
iii) Deposits from related parties				
- Foreign currency loan - from related party (Refer note 40)	20	32	20	-

## Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

	Non Current Portion		Current Maturities	
	As At March 31, 2014	As At March 31, 2013	As At March 31, 2014	As At March 31, 2013
- Indian rupee loan - from related party (Refer note 40)	560	-		
Amounts disclosed under the head "other current liabilities" (Refer Note 11)			(8,452)	(8,327)
<b>Total</b>	<b>29,834</b>	<b>27,159</b>	<b>-</b>	<b>-</b>

### (a) Nature of Security and terms of repayment for secured borrowings:

Nature of Security		Terms of Repayment
<b>Long terms foreign currency loans from Bank include:</b>		
i.	Loan amounting to ₹ 4,396 million (March 31, 2013 : ₹ 4,885 million) secured by first pari passu charge on entire fixed assets, both movable & immovable, of the Company present and future and second pari passu charge on the entire current assets of the Company. These are also secured by way of deposit of title deeds of specified properties.	<ol style="list-style-type: none"> <li>1) ₹ Nil (March 31, 2013 : ₹ 210 million) fully repaid in 2013-2014.</li> <li>2) ₹ 359 million (March 31, 2013 : ₹ 542 million) is repayable in 3 half yearly installments till July 2015.</li> <li>3) ₹ 1079 million (March 31, 2013 : ₹ 977 million) repayable in 4 half yearly installments commencing from March 2017 till September 2018.</li> <li>4) ₹ 225 million (March 31, 2013 : ₹ 340 million) is repayable in 6 quarterly installments till September 2015</li> <li>5) ₹ 262 million (March 31, 2013 : ₹ 373 million) is repayable in 7 quarterly installments till December 2015</li> <li>6) ₹ 1,378 million (March 31, 2013 : ₹ 1,357 million) is repayable in 9 half yearly installments commencing from February 2014 till August 2018.</li> <li>7) ₹ 779 million (March 31, 2013 : ₹ 760 million) is repayable in 8 half yearly installments commencing from August 2012 till February 2018.</li> <li>8) Loan amounting to ₹ 314 million (March 31, 2013 : ₹ 326 million) repayable in 7 half yearly installments commencing from February 2014 till August 2017 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."</li> </ol>
ii	Loan amounting to ₹ 10 million (March 31, 2013 : ₹ 17 million) secured by pledge of plant & machinery of Samvardhana Motherson Invest Deutschland GmbH	<ol style="list-style-type: none"> <li>1) ₹ 7 million (March 31, 2013 : ₹ 13 million) is repayable in monthly installments until December 2014.</li> <li>2) ₹ 3 million (March 31, 2013 : ₹ 4 million) is repayable in monthly installments until June 2015. The applicable rate of interest in respect of these loans is within a range of 5% p.a. to 9% p.a.</li> </ol>
iii	Loan amounting to ₹ 27 million (March 31, 2013 : 32 million) secured by lien on injection moulding machines and second grade mortgage of land and building of MSSSL Advanced Polymers s.r.o.	Repayable in monthly installments along with interest of 4.93% p.a.
iv	Loan amounting to ₹ 27 million (March 31, 2013 : ₹ Nil) secured by pledge of the machine and future insurance receivables of the debtors related to machine in favour of Bank.	Repayable in monthly installments commencing from January 2014 until May 2019.



# Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

	Nature of Security	Terms of Repayment
v	Loan amounting to ₹ 14 million (March 31, 2013 : ₹ 23 million) secured by fixed and floating charge over property of MSSL Australia Pty Ltd, Motherson Elastomers Pty Limited and Motherson Investments Pty Limited and registered mortgage over specified properties situated in Victoria, Australia.	Repayable in June 2014. The applicable rate of interest is 5.18 % p.a.
vi	<p>Loan amounting to ₹ 4,913 million (March 31, 2013: ₹ 6,903 million) 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 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 the Company for an aggregate amount of USD equivalent of EUR 106.7 million.</p>	<p>Repayable on quarterly installment commencing from August 2012 until November 2016.</p> <p>The applicable rate of interest is 3 months USD LIBOR plus 3.25% to 3.50 %"</p>
vii	<p>Loan amounting to ₹ 5,173 million (March 31, 2013: ₹ 6,374million) 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 million.</p>	<p>Repayable on yearly basis commencing from November 2013 until November 2016.</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 are in ₹ Million, unless otherwise stated)

	Nature of Security	Terms of Repayment
viii	<p>Loan amounting to ₹ 6,583 million (March 31, 2013: ₹ 6,724 million) 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 Personal Leasings GmbH (formerly Peguform Personal Leasing 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 installment commencing from August 2012 until November 2017.</p> <p>The applicable rate of interest is 3 months EURIBOR plus 3.75%</p>
ix	<p>Loan amounting to ₹ 147 million (March 31, 2013: ₹ 95 million) secured by General Notarial Bond on assets of Vacuform 2000 Pty Ltd.</p>	<p>1) ₹ 55 million (March 31, 2013 : ₹ Nil) is repayable in 60 equal installments commencing from 31 January 2015.</p> <p>2) ₹ 92 million (March 31, 2013 : ₹ 95 million) is repayable 60 equal installments commencing from 31 March 2014.</p> <p>The applicable rate of interest in respect of these loans is within a range of 6% p.a. to 12% p.a.</p>
x.	<p>Loan amounting to ₹ 409 million (March 31, 2013: ₹ 370 million) secured by mortgage of land and plant and machinery of SMR Brasil Ltda.</p>	<p>Repayable in 6 half yearly installments commencing from Sep 2013.</p> <p>The applicable rate of interest is CDI + 4% spread per year.</p>
xi.	<p>Loan amounting to ₹ Nil (March 31, 2013: ₹ 451 million) 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.</p>	<p>Fully repaid in 2013-14.</p>
xii.	<p>Loan amounting to ₹ 137 million (March 31, 2013: ₹ 133 million) secured by mortgage on the plant of SMR Automotive Systems Spain S.A.U.</p>	<p>Repayable in 60 equal monthly installments (after 2 years moratorium) until September 2018.</p> <p>The applicable rate of interest is 5.39% p.a.</p>
xiii	<p>Loan amounting to ₹ 42 million (March 31, 2013: ₹ Nil) secured against purchase order from customers.</p>	<p>Bullet repayment at once when purchase order from customer is paid. The applicable rate of interest is 3.79% p.a.</p>

# Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

	Nature of Security	Terms of Repayment
xiv.	Loan amounting to ₹ 189 million (March 31, 2013: ₹ 244 million) 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 installments until August 2017. The applicable rate of interest is MLR - 1.25% p.a.
xv	Loan amounting to ₹ 63 million (March 31, 2013: ₹ Nil) secured against Plastic Molding Machine Equipments of SMR Automotive System (Thailand) Ltd	Repayable in 48 equal monthly installments until June 2018. The applicable rate of interest is 6% p.a. "
xvi	Loan amounting to ₹ Nil (March 31, 2013: ₹ 1,392 million) secured by first pari passu charge/assignment of all receivables, moveable assets, Intangible assets and immovable assets of SMR Automotive Mirror Parts and Holding UK limited, SMR Automotive Mirror UK Limited, SMR Automotive Mirror Services UK Limited and SMR Automotive Services Portchester Limited.  Further, secured by Corporate Guarantees issued by MSSL and Samvardhana Motherson International Limited (SMIL) (formerly known as Samvardhana Motherson Finance Limited).	Fully repaid in 2013-14. The applicable rate of interest is 3 month Euribor + 3.50% p.a.
xvii.	Loan amounting to ₹ 68 million (March 31, 2013: ₹ 67 million) Secured against Mortgage of Plant of SMR Automotive Systems Spain S.A.U	Repayable in 84 monthly installments until December 2019. The applicable rate of interest is 5.42 % "
xviii.	Loan amounting to ₹ 849 million (March 31, 2013: ₹ 152 million) Secured against: 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.	Repayable in monthly installments commencing from October' 2014 till June' 2020. The applicable rate of interest is 3 % below the Prime Rate as applicable in South Africa"
xix.	Loan amounting to ₹ 70 million (March 31, 2013: ₹ 193 million) Secured against receivables, 2 generators and paint line of SMP Automotive Produtos Automotivos do Brasil Ltda.	1) ₹ Nil (March 31, 2013 : ₹ 87 million) fully repaid in 2013-14. 2) ₹ 70 million (March 31, 2013 : ₹ 106 million) is repayable in monthly installments upto October' 2014. The applicable rate of interest is CDI (Inter Bank Deposit Certificate - Brazilian) + 8% spread per year.
xx	Loan amounting to ₹ 1,980 million (March 31, 2013: ₹ Nil) Secured against: i) Charge over fixed assets of SMP Automotive Exterior GmbH ii) Pledge of shares of SMP Automotive Exterior GmbH iii) Corporate guarantee of MSSL & SMIL in the ratio of 51%:49%	Repayable in quarterly payment amounting Euro 2.5 Million until October' 2021. The applicable rate of interest is 3M-Euribor+3.9% margin

## Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

	Nature of Security	Terms of Repayment
xxi	Loan amounting to ₹ 2,995 million (March 31, 2013: ₹ Nil) Secured against: i) Second charge over current assets of SMP Deutschland GmbH (formerly Peguform GmbH) and all its German subsidiaries. ii) Corporate Guarantee of Samvardhana Motherson International Limited alongwith pledge of MSSSL shares (1.5x times on outstanding loan) for an amount 1.1x of outstanding loan.	Repayable in 3 installments of Euro 12.1 Million each starting from November' 15. The applicable rate of interest is 3 months USD LIBOR plus 4%
xxii	Loan amounting to ₹ 101 million (March 31, 2013: ₹ Nil) Secured against Machines.	Repayable in equal monthly installments commencing from September 2014. The applicable rate of interest is 5.5 %
xxiii	Loan amounting to ₹ 69 million (March 31, 2013: ₹ Nil) Secured against Specified Machinery.	Repayable in equal monthly installments commencing from November 2013. The applicable rate of interest is 5.92 %
xxiv	Loan amounting to ₹ 31 million (March 31, 2013: ₹ Nil).	Repayable in equal monthly installments commencing from September 2014. The applicable rate of interest is 5.5 %
<b>Long terms Rupee Loans from Other than Banks include:</b>		
i.	Loan amounting to ₹ 26 million (March 31, 2013: ₹ 37 million) secured by against land acquired from NOIDA authority under installment plan.	Repayable in 6 half yearly installments till December 2015 carrying interest of 11% p.a.
ii.	Loan amounting to ₹ Nil (March 31, 2013: ₹ 2 million) from other than banks is secured against the vehicles purchased against such loan.	Fully repaid in 2013-2014.
<b>Foreign Currency Finance Lease Liabilities Other than Banks include:</b>		
i.	Finance Leases amounting to ₹ 2,313 million (March 31, 2013: ₹ 2,208 million) are secured by hypothecation of assets underlying the leases.	₹ 1,601 million (March 31, 2013 : ₹ 1,769 million) repayable in quarterly installments. ₹ 525 million (March 31, 2013 : ₹ 357 million) repayable in monthly installments. ₹ 128 million (March 31, 2013 : ₹ 49 million) repayable in two installments per year upto August 2015. ₹ 59 million (March 31, 2013 : ₹ 33 million) repayable in monthly installments."
<b>(b) Terms of repayment for unsecured borrowings:</b>		
<b>Unsecured Foreign Currency Term Loans from Banks:</b>		
i.	Loan amounting to ₹ 1,198 million (March 31, 2013: ₹ 1,086 million). The Company has given a negative lien on the assets purchased out of the said facility	Repayable in 3 yearly installments commencing from January 2015 till January 2017.
ii.	Loan amounting to ₹ 599 million (March 31, 2013: ₹ 815 million) Secured by: 1) Corporate guarantee of Motherson Sumi Systems Limited (MSSL) for 100% of facility amount. 2) Undertaking from MSSSL and SMIL that they would not reduce there shareholding in SMR below 75%.	Repayable in 4 annual installments.

# Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

	Nature of Security	Terms of Repayment
iii.	<p>Loan amounting to ₹ 761 million (March 31, 2013: ₹ 1,103 million) Secured by:</p> <ol style="list-style-type: none"> <li>1) Corporate gurantee of Motherson Sumi Systems Limited (MSSL) for 100% of facility amount.</li> <li>2) Negative lien on pledge of shares of operating subsidiaries of Samvardhana Motherson Reflectec Group Holdings Limited</li> <li>3) Negative lien on assets of operating subsidiaries for any loan availed in operating subsidiaries of SMR over and above Euro 30 million on consolidated basis.</li> <li>4) Undertaking from MSSL and SMIL that they would not reduce there shareholding in SMR below 75%.</li> </ol>	Repayable in 16 quarterly installments.
iv.	<p>Loan amounting to ₹ 712 million (March 31, 2013: ₹ 652 million) Secured by:</p> <ol style="list-style-type: none"> <li>1) Negative lien on pledge of shares of operating subsidiaries of Samvardhana Motherson Reflectec Group Holdings Limited</li> <li>2) Negative lien on assets of operating subsidiaries for any loan availed in operating subsidiaries of SMR over and above Euro 30 million on consolidated basis.</li> <li>3) Undertaking from MSSL and SMIL that they would not reduce there shareholding in SMR below 75%.</li> </ol>	Repayable in 16 quarterly installments.
v.	<p>Loan amounting to ₹ 539 million (March 31, 2013: ₹ 609 million) Secured by Corporate Guarantee from SMR Korea.</p>	Repayable in 3 Years.
vi.	<p>Loan amounting to ₹ 1,733 million (March 31, 2013: ₹ 300 million), unsecured.</p>	<p>Loan amounting to ₹ 2 million (March 31, 2013: ₹ 4 million) repayable in monthly installments upto August, 2015.</p> <p>Loan amounting to ₹ 52 million (March 31, 2013: ₹ 52 million) repayable in monthly installments upto April, 2019.</p> <p>Loan amounting to ₹ 42 million (March 31, 2013: ₹ 42 million) repayable in monthly installments upto February' 2015</p> <p>Loan amounting to ₹ 116 million (March 31, 2013: ₹ 116 million) repayable in monthly installments upto May' 2015</p> <p>Loan amounting to ₹ 46 million (March 31, 2013: ₹ 46 million) repayable in monthly installments upto November' 2013</p> <p>Loan amounting to ₹ 7 million (March 31, 2013: ₹ 7 million) repayable in monthly installments upto September' 2015.</p> <p>Loan amounting to ₹ 10 million (March 31, 2013: ₹ 13 million) repayable in monthly installments upto January' 2016.</p> <p>Loan amounting to ₹ 5 million (March 31, 2013: ₹ 6 million) repayable in monthly installments upto January' 2016.</p> <p>Loan amounting to ₹ 11 million (March 31, 2013: ₹ 14 million) repayable in monthly installments upto December' 2015.</p> <p>Loan amounting to ₹ 62 million (March 31, 2013: ₹ Nil). Bullet Repayment in March' 2015.</p> <p>Loan amounting to ₹ 83 million (March 31, 2013: ₹ Nil). Bullet Repayment in September' 2015.</p>

## Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

Nature of Security	Terms of Repayment
	<p>Loan amounting to ₹ 58 million (March 31, 2013: ₹ Nil) Repayable in 12 equal monthly installments (after 1 year moratorium) until February 2016.</p> <p>Loan amounting to ₹ 1,237 million (March 31, 2013: ₹ Nil) Bullet Repayment in August 2017.</p> <p>Loan amounting to ₹ 2 million (March 31, 2013: ₹ Nil) Repayment due in November' 2015.</p>
<b>Unsecured Rupee Loans from Other than Banks -</b>	<p>Loan amounting to ₹ 2 million (March 31, 2013: ₹ 2 million) are non cumulative preference shares allotted to joint venturer, compulsorily convertible into equity shares of KIML at the end of 20 years from the date of issue i.e. 24th March 2010.</p> <p>Loan amounting to ₹ 112 million (March 31, 2013: ₹ Nil) repayable in 10 equal half yearly installments commencing from April 2016.</p> <p>Loan amounting to ₹ 12 million (March 31, 2013: ₹ Nil) repayable in December 2015.</p>
<b>Unsecured Foreign Currency Loans from Other than Banks -</b>	<p>Loan amounting to ₹ 6 million (March 31, 2013: ₹ 7 million) repayable in half yearly installments until June 2016.</p> <p>Loan amounting to ₹ 25 million (March 31, 2013: ₹ 27 million) repayable until March 2015.</p> <p>Loan amounting to ₹ 48 million (March 31, 2013: ₹ 50 million) with no repayments.</p> <p>Loan amounting to ₹ 169 million (March 31, 2013: ₹ 153 million) repayable in quarterly installments until June 2025.</p> <p>Loan amounting to ₹ Nil (March 31, 2013: ₹ 6 million) fully paid in 2013-14.</p> <p>Loan amounting to ₹ 157 million (March 31, 2013: ₹ 132 million) renewable yearly.</p> <p>Loan amounting to ₹ 48 million (March 31, 2013: ₹ 49 million) repayable in 10 yearly installments commencing from 2074.</p> <p>Loan amounting to ₹ 35 million (March 31, 2013: ₹ 34 million) repayable in various installments starting after 4 years to be repaid in 10 years with final maturity in 2026.</p> <p>Loan amounting to ₹ 19 million (March 31, 2013: ₹ 8 million) repayable in various installments starting after 2 years to be repaid in 12 years.</p> <p>Loan amounting to ₹ 30 million (March 31, 2013: ₹ 18 million) repayable in half yearly installments upto January, 2025.</p> <p>Loan amounting to ₹ 123 million (March 31, 2013: ₹ 101 million) repayable in 3 repayment per year upto June, 2026.</p> <p>Loan amounting to ₹ 526 million (March 31, 2013: ₹ Nil) repayable in 9 Equal half yearly instalment from 36 month from date of each drawdown.</p> <p>Loan amounting to ₹ 200 million (March 31, 2013: ₹ Nil) installments commencing from 2074.</p>



# Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

Nature of Security	Terms of Repayment
<b>Unsecured Foreign Currency Loans from Related Party -</b>	<p>Loan amounting to ₹ 20 million (March 31, 2013: ₹ 20 million) repayable until June 2014.</p> <p>Loan amounting to ₹ 5 million (March 31, 2013: ₹ 4 million) repayable upto January' 2015.</p> <p>Loan amounting to ₹ 4 million (March 31, 2013: ₹ 4 million) repayable upto June' 2015.</p> <p>Loan amounting to ₹ 2 million (March 31, 2013: ₹ 2 million) repayable upto November' 2015.</p> <p>Loan amounting to ₹ 2 million (March 31, 2013: ₹ 2 million) repayable upto February' 2016.</p> <p>Loan amounting to ₹ 2 million (March 31, 2013: ₹ Nil) repayable upto December' 2016</p> <p>Loan amounting to ₹ 3 million (March 31, 2013: ₹ Nil) repayable upto December' 2016</p> <p>Loan amounting to ₹ 2 million (March 31, 2013: ₹ Nil) repayable upto December' 2017</p>
<b>Unsecured Rupee Loans from Related Party -</b>	Loan amounting to ₹ 560 million (March 31, 2013: ₹ Nil) repayable upto November' 2015

In respect of a long term borrowing aggregating to ₹ 8,243 million (2012-13) in respect of which certain financial ratio covenants were not met in the previous financial year, the Group has obtained the requisite waiver from the banks.

Further, long term borrowings aggregating ₹ 250 million (Previous Year ₹ 243 million) availed by one of the subsidiary of the Group has been reclassified into current maturities since one of the financial covenants has not been met. If there is no breach the amount payable within one year should have been ₹ 65 million (Previous Year ₹ 56 million). However, the subsidiary has not received any notice for repayment by the bank.

## 6. Deferred tax liabilities (Net)

	As At March 31, 2014	As At March 31, 2013
Deferred tax liabilities		
Depreciation	1,683	1,477
Others	236	126
Deferred tax assets		
Employee benefits	71	101
Others	168	61
<b>Total</b>	<b>1,680</b>	<b>1,441</b>

Deferred Tax Assets and Deferred Tax Liabilities have been offset to the extent they relate to the same governing taxation laws.

## 7. Other long term liabilities

	As At March 31, 2014	As At March 31, 2013
Trade payables (including acceptances)	16	24
Capital Payables <sup>1</sup>	-	-
Advance from customers	234	929
Unearned revenue	1,647	1,054
Retention money	4	27
Security deposit received	74	103
Advance recovery from employees	59	40
Others	49	211
<b>Total</b>	<b>2,083</b>	<b>2,388</b>

<sup>1</sup> Amount is below the rounding off norm adopted by the Company

## Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

### 8. Long term provisions

	As At March 31, 2014	As At March 31, 2013
<b>i) Provision for employee benefits</b>		
- for gratuity and pensions (Refer note 42)	1,036	894
- for compensated absences (Refer note 42)	176	165
- Others	654	498
<b>ii) Other Provisions (Refer note 38)</b>		
- for warranties	114	51
- for litigations	63	71
<b>Total</b>	<b>2,043</b>	<b>1,679</b>

### 9. Short Term Borrowings

	As At March 31, 2014	As At March 31, 2013
<b>Secured:</b>		
i) Loans repayable on demand- from banks		
- Rupee Loan <sup>1</sup>	1,495	498
- Foreign Currency Loan <sup>2</sup>	3,901	2,949
ii) Other short term loans - from banks		
- Rupee Loan <sup>3</sup>	718	1,761
- Foreign Currency Loan <sup>4</sup>	2,310	5,266
<b>Unsecured:</b>		
i) Loans repayable on demand- from banks		
- Rupee Loan	245	170
- Foreign Currency Loan	1,290	2,480
ii) Loans repayable on demand- from related party (Refer note 40)		
- Rupee Loan	-	10
iii) Other short term loans - from banks		
- Rupee Loan	12	419
- Foreign Currency Loan	140	-
<b>Total</b>	<b>10,111</b>	<b>13,553</b>

#### Nature of Security for secured borrowings:

<sup>1</sup> ₹ 1,240 million (March 31, 2013: ₹ 368 million) 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.

₹ 16 million (March 31, 2013: ₹ 22 million) secured by first charge by way of hypothecation of all stocks and book debts and by second charge on plant & machinery and other immoveable property both present and future of Kyungshin Industrial Motherson Limited.

₹ 89 million (March 31, 2013: ₹ 108 million) secured by first pari-passu charge both present and future on all current assets of SMR Automotive Systems India Limited.

₹ 150 million (March 31, 2013: ₹ Nil) secured by First & Exclusive charge on entire moveable and immoveable fixed assets of the company at the company owned Chennai plant.

<sup>2</sup> ₹ Nil (March 31, 2013: ₹ 273 million) 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.

₹ Nil (March 31, 2013: ₹ 207 million) secured by assignment of receivables of SMR Automotive Mirror Technology Hungary Bt and Corporate Guarantee of Samvardhana Motherson Reflectec Group Holdings Limited.

₹ 600 million (March 31, 2013: ₹ 610 million) secured by pledge over the moveable inventories of SMR Automotive Mirror Technology Hungary Bt and Corporate Guarantee of Samvardhana Motherson Reflectec Group Holdings Limited.

# Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

₹ 1,114 million (March 31,2013: ₹ 354 million) secured by pledge over receivables and inventory of SMR Automotive Systems USA Inc.

₹ 414 million (March 31,2013: ₹ 370 million) under factoring arrangements, secured against underlying receivables of SMR Automotive Systems France S.A.

₹ Nil (March 31, 2013: ₹ 79 million) secured by credit for tooling purchases of SMR Automotive Systems Spain S.A.U.

₹ 302 million (March 31,2013: ₹ 457 million) secured against Account Receivables of SMR Automotive Mirror Technology Hungary Bt.

₹ 57 million (March 31,2013: ₹ 124 million) secured by Corporate Guarantee of SMR Jersey and Mortgage over Land and Machinery at SMR Automotive System (Thailand) Ltd.

₹ 277 million (March 31,2013: ₹ 311 million) secured against fixed and floating charges over all assets of SMR Automotive Australia Pty Ltd.

₹ 161 million (March 31,2013: ₹ 164 million) secured against mortgage of land, building and plant and machinery of SMR Automotive Brasil Ltda.

₹ 785 million (March 31,2013: ₹ Nil) secured against account receivables of SMR Automotive Mirrors UK Ltd.

₹ 120 million (March 31,2013: ₹ Nil) secured by the mortgage of the Building at SMR Automotive Vision Systems Mexico S.A. de C.V.

₹ 71 million (March 31,2013: ₹ Nil) 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 MSSL Advanced Polymers s.r.o.

3 ₹ Nil (March 31,2013: ₹ 1,511 million) secured by first charge by way of hypothecation of all present and future stocks, book debts and other specified moveable assets and second charge by way of hypothecation of all present and future immoveable property of MSSL.

₹ Nil (March 31,2013: ₹ 250) 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.

₹ 718 million (March 31,2013: ₹ Nil) 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 ₹ Nil (March 31,2013: ₹ 706 million) 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.

₹ Nil (March 31,2013: ₹ 47 million) 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 MSSL Advanced Polymers s.r.o.

₹ Nil (March 31,2013: ₹162 million) secured by way of mortgage over land & property of Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd .

₹ Nil (March 31,2013: ₹ 108 million) secured by the mortgage of the Building at SMR Automotive Vision Systems Mexico S.A. de C.V.

₹ 2,310 million (March 31,2013: ₹ 4,176 million) 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."

₹ Nil (March 31,2013: ₹ 67 million) secured by Purchase Order from OEM of SMR Automotive Systems Spain S.A.U

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

## Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

### 10. Trade Payables

	As At March 31, 2014	As At March 31, 2013
Trade Payables (including acceptances)		
- due to micro and small enterprises	14	54
- others	40,903	31,754
<b>Total</b>	<b>40,917</b>	<b>31,808</b>

### 11. Other Current Liabilities

	As At March 31, 2014	As At March 31, 2013
Other current liabilities		
- Current maturities of long term debt (Refer Note 5)	7,813	7,844
- Current maturities of finance lease obligations (Refer Note 5)	639	483
- Interest accrued but not due on borrowings	211	162
- Interest accrued and due on borrowings <sup>1</sup>	-	0
- Revenue received in advance	1,312	1,293
- Unpaid dividends (Refer note (a) below)	13	32
- Accrued salaries and benefits	4,570	3,672
- Statutory dues payable	4,363	2,960
- Advances received from customers	3,799	1,652
- Security deposit received	9	6
- Recovery against vehicle loans	34	26
- Others	2,004	1,626
<b>Total</b>	<b>24,767</b>	<b>19,756</b>

(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.

<sup>1</sup> Amount is below the rounding off norm adopted by the Company.

### 12. Short Term Provisions

	As At March 31, 2014	As At March 31, 2013
<b>i) Provision for employee benefits</b>		
- Provision for gratuity and pensions (Refer note 42)	76	110
- Provision for compensated absences (Refer note 42)	118	84
- Provision for others	51	47
<b>ii) Other Provisions</b>		
- Provision for warranties (Refer note 38)	757	486
- Provision for other litigations (Refer note 38)	93	20
- Provision for onerous contracts (Refer note 38)	1	40
- Provision for proposed dividend on equity shares	2,205	1,176
- Provision for dividend distribution tax on proposed dividend on equity shares	375	200
- Provision for income tax	989	1,376
- Provision for wealth tax	2	2
- Provision for other taxes	3	3
- Provision for others	29	32
<b>Total</b>	<b>4,699</b>	<b>3,576</b>

# Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

## 13. Fixed Assets

Particulars	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK					
	As at April 1, 2013	Additions during the year	Disposals	Other Adjustments <sup>1</sup>	Exchange Translation Adjustment	Total as at March 31, 2014	Upto March 31, 2013	Depreciation/Amortization for the year 2a, 2b & 3	Depreciation/Amortization on Sale/Deletions Adjustments	Other Adjustments <sup>1</sup>	Exchange Translation Adjustment	Upto March 31, 2014	As at March 31, 2014	As at March 31, 2013
TANGIBLE ASSETS														
Own Assets:														
Leasehold Land	1,623	60	-	-	56	1,739	187	29	0	-	-	236	1,503	1,436
Freehold Land	3,025	320	-	9	206	3,542	-	-	-	-	-	-	3,542	3,025
Leasehold Improvements	153	62	-	-	16	231	125	25	-	-	-	165	66	28
Buildings	19,244	1,860	103	-	1,828	22,829	4,932	805	78	0	640	6,299	16,530	14,312
Plant & Machinery	68,441	6,091	2,524	(0)	7,842	79,850	41,292	5,809	2,108	6	5,099	50,086	29,764	27,149
Furniture & fixtures	2,411	441	281	(259)	375	3,205	1,631	473	264	(6)	265	2,111	1,094	780
Office equipments	1,698	161	79	259	168	1,689	1,066	152	19	(1)	126	1,326	363	632
Computers	2,356	163	35	-	351	2,835	2,106	156	35	(0)	322	2,549	286	250
Vehicles	658	104	107	-	29	684	433	113	98	0	21	469	215	225
Total (A)	99,609	9,262	3,129	9	10,871	116,604	51,772	7,562	2,602	(1)	6,508	63,241	53,363	47,837
Assets Taken on Finance Lease:														
Buildings	1,192	-	-	212	243	1,223	254	36	-	(36)	51	377	846	938
Plant & Machinery	3,122	286	1	(212)	436	4,055	1,336	244	-	36	237	1,781	2,274	1,786
Furniture & fixtures	-	-	-	(8)	1	9	-	-	-	(8)	1	9	0	-
Office equipments	3	-	-	(0)	(0)	3	3	-	-	-	(0)	3	(0)	0
Computers	5	-	-	-	1	6	3	-	-	-	1	4	2	2
Vehicles	8	-	-	8	-	-	8	-	-	8	-	-	-	-
Total (B)	4,330	286	1	(0)	681	5,296	1,604	280	-	(0)	290	2,174	3,122	2,726
TOTAL TANGIBLE ASSETS (A + B)	103,939	9,548	3,130	9	11,552	121,900	53,376	7,842	2,602	(1)	6,798	65,415	56,485	50,563
INTANGIBLE ASSETS														
Goodwill on Consolidation	1,635	-	-	-	294	1,929	45	-	-	-	-	45	1,884	1,590
Technical Knowhow fees	313	-	16	-	47	344	166	18	11	-	-	197	147	147
Business & Commercial Rights	14	27	5	-	0	36	14	7	-	(7)	2	30	6	-
Intellectual Property Rights	548	276	28	-	97	893	467	35	11	8	82	565	328	81
Software	976	123	13	-	148	1,234	587	233	12	-	87	895	339	389
TOTAL INTANGIBLE ASSETS	3,486	426	62	-	586	4,436	1,279	293	34	1	195	1,732	2,704	2,207
GRAND TOTAL	107,425	9,974	3,192	9	12,138	126,336	54,655	8,135	2,636	(0)	6,993	67,147	59,189	52,770
Previous Year	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

<sup>1</sup> Other Adjustments are primarily related to reclassifications.

<sup>2a</sup> Includes impairment loss amounting to ₹ Nil (Previous Year ₹ 200 million) recognised during the year.

<sup>2b</sup> Includes reversal of excess impairment loss of ₹ 10 million (Previous Year ₹ Nil) provided in previous year.

<sup>3</sup> Includes depreciation of Rs 9 million (Previous Year ₹ 8 million) capitalised during the year on assets used for creation of self generated assets. (Refer Note. 31)  
Amounts appearing as zero "0" are below the rounding off norm adopted by the Company

## Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

### 14. Non Current Investments

		As At March 31, 2014	As At March 31, 2013
	<b>Investment Property (at cost less accumulated depreciation) <sup>1</sup></b>		
	<b>Cost of Buildings</b>	803	576
	Add: Additions during the year	7	235
	Less: Deletions during the year	-	22
	Add: Exchange translation adjustment	106	14
	<b>Gross Block</b>	<b>916</b>	<b>803</b>
	<b>Accumulated depreciation:</b>		
	Opening balance	189	168
	Add: Depreciation for the year	46	21
	Add: Additions/(Deletion) during the year	-	(4)
	Add: Exchange translation adjustment	34	4
	<b>Net Investment Properties</b>	<b>647</b>	<b>614</b>
	<b>Trade Investments (Unquoted, valued at cost)</b>		
	<b>Investment in associates:</b>		
i.	Saks Ancilliaries 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	30	
	Add: Share of profit/ (loss) for current year	2	30
ii	Re-time Pty Limited		
	406 equity share (Previous year: 406) of AUD 1/- each fully paid up		
	Investment at the acquisition date	30	
	Addition acquired during the period	-	
	Add: Share of profit/ (loss) for current year	(4)	
	Add: Exchange difference	(1)	30
	<b>Investment in Partnership Firm</b>		
	Faro Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG, Mainz <sup>2</sup>	0	-
	94 % contribution towards nominal capital without any voting rights		
	<b>Others:</b>		
	Purpurin Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG <sup>2</sup>	0	0
	94 equity shares (Previous year: 94) of Euro 51.129 each fully paid up		
	<b>Other Investments (valued at cost, unless stated otherwise)</b>		
	Investment in equity instruments:		
	<b>Quoted:</b>		
	Ssangyong Motor Corporation 18,040 Equity shares (Previous year 18,040 Equity shares) of Euro 3.394 per equity share	9	5
	<b>Unquoted:</b>		
i.	Motherson Sumi Infotech & Designs Ltd.	13	13
	1,250,000 7% preference shares (Previous year 1,250,000) of ₹ 10/- each fully paid up		
ii.	Motherson Sumi Infotech & Designs Ltd.	14	14
	1,200,000 Equity shares (Previous year 1,200,000) of ₹ 10/- each fully paid up		
iii.	Motherson Air Travel Agencies Ltd.	1	1
	120,000 equity shares (Previous year 120,000) of ₹ 10/- each fully paid up		



# Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

	As At March 31, 2014	As At March 31, 2013
iv. Green Infra Wind Power Projects Limited	1	1
120,000 Equity shares (Previous year 120,000) of ₹10/- each fully paid up		
v. Comunidad de Vertidos, "Les Carrases"	5	4
882 Equity shares (Previous year 882) of Euro 69.494/- each fully paid up		
vi. Daewoo Automotive securities	2	4
5,861 Bonds (Previous year 5,861 Bonds) of Euro 3.334 per bond		
<b>Investments (Net)</b>	<b>749</b>	<b>716</b>
Aggregate amount of quoted investments	9	5
Market value of quoted investments	11	5

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

<sup>2</sup> Amount is below the rounding off norm adopted by the Company.

## 15. Deferred tax assets (Net)

	As At March 31, 2014	As At March 31, 2013
Deferred tax assets		
Depreciation	156	75
Employee benefits	41	25
Others	994	795
Deferred tax liabilities		
Others	7	13
<b>Total</b>	<b>1,184</b>	<b>882</b>

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.

## 16. Long term loans and advances

	As At March 31, 2014	As At March 31, 2013
<i>Unsecured, considered good (unless otherwise stated)</i>		
Capital advances <sup>1</sup>	2,644	913
Security deposits		
- Considered good	187	116
- Considered doubtful <sup>2</sup>	0	0
Less: Allowance for doubtful security deposits <sup>1</sup>	(0)	(0)
Security deposits to related parties	194	141
Loans and advances to related parties <sup>2</sup>	235	0
Advances to be recoverable in cash or in kind for value to be received	11	68
<b>Other loans and advances</b>		
Prepaid expenses	184	195
Housing loan to employees	28	26
Balances with Government Authorities	83	48
<b>Total</b>	<b>3,566</b>	<b>1,507</b>

<sup>1</sup> Includes ₹ 36 million to related parties

<sup>2</sup> Amount is below the rounding off norm adopted by the Company

## Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

### 17. Other Non Current Assets

	As At March 31, 2014	As At March 31, 2013
Unsecured, considered good		
Long term trade receivables (including trade receivables on deferred credit terms)	1,477	1,067
Non current bank balance with original maturity for more than 12 months	141	130
Other receivables	291	157
<b>Total</b>	<b>1,909</b>	<b>1,354</b>

### 18. Current Investments

	As At March 31, 2014	As At March 31, 2013
Equity instruments, at cost or market value, whichever is less		
<b>Quoted:</b>		
<b>HDFC Bank Ltd.</b> <sup>1</sup>	0	0
2,035 equity shares (Previous year : 2,035) of ₹ 2/- each fully paid up		
<b>Balrampur Chini Mills Ltd.</b> <sup>1</sup>	0	0
1,200 equity shares (Previous year : 1,200) of ₹ 1/- each fully paid up		
<b>Jaysynth Dyechem Ltd.</b> <sup>1</sup>	0	0
100 equity shares (Previous year: 100) of ₹ 10/- each fully paid up		
<b>GIVO Ltd.</b> <sup>1</sup>	0	0
28,475 equity shares (Previous year : 28,475) of ₹ 10/- each fully paid up		
<b>Mahindra &amp; Mahindra Ltd.</b> <sup>1</sup>	0	0
3,644 equity shares (Previous year: 3,644) of ₹ 5/- each fully paid up		
<b>Arcotech Limited (Formerly SKS Limited)</b> <sup>1</sup>	0	0
200 equity shares (Previous year 200) of ₹ 10/- each fully paid up		
<b>Pearl Engineering Polymers Ltd.</b>	-	-
3,160 equity shares (Previous year : 3,160) of ₹ 10/- each fully paid up		
<b>Daewoo Motors Limited</b>	-	-
6,150 equity shares (Previous year : 6,150) of ₹ 10/- each fully paid up		
<b>Electrolux Kelvinator India Limited</b>	-	-
1,250 equity shares (Previous year : 1,250) of ₹ 10/- each fully paid up		
<b>Athena Financial Services Limited. (Formerly Kinetic Lease &amp; Finance Limited)</b>	-	-
66 equity shares (Previous year : 66) of ₹ 10/- each fully paid up		
<b>Inox Leasing &amp; Finance Limited</b>	-	-
100 equity shares (Previous year : 100) of ₹ 10/- each fully paid up		
<b>Inapex Auto Export P Limited</b>	-	-
Nil equity shares (Previous year 60,000) of ₹ 10/- each fully paid up		
<b>Investments (Net)</b> <sup>1</sup>	0	0
Aggregate amount of quoted investments <sup>1</sup>	0	0
Market value of quoted investments	5	5

<sup>1</sup> All the above amounts are below the rounding off norm adopted by the Company

# Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

## 19. Inventories

	As At March 31, 2014	As At March 31, 2013
Raw Materials	10,499	9,312
Raw Materials in transit	895	801
Work in progress	15,273	10,723
Finished Goods	4,624	3,591
Finished Goods in transit	286	204
Traded Goods	372	614
Traded Goods in transit	4	-
Stores and spare parts	732	640
Loose tools <sup>1</sup>	0	-
Loose tools in transit	137	151
<b>Total</b>	<b>32,822</b>	<b>26,036</b>

<sup>1</sup> All the above amounts are below the rounding off norm adopted by the Company

## 20. Trade Receivables

	As At March 31, 2014	As At March 31, 2013
<b>i) Trade receivables</b>		
<b>- Outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	165	874
Doubtful	421	326
	<b>586</b>	<b>1,200</b>
Less: Provision for doubtful receivables	421	326
	<b>165</b>	<b>874</b>
<b>- Other receivables</b>		
Unsecured, considered good	32,219	28,526
Doubtful	104	155
	<b>32,323</b>	<b>28,681</b>
Less: Provision for doubtful receivables	104	155
	<b>32,219</b>	<b>28,526</b>
<b>Total</b>	<b>32,384</b>	<b>29,400</b>

## 21. Cash and bank balances

	As At March 31, 2014	As At March 31, 2013
<b>Cash and Cash Equivalents</b>		
Balances with banks:		
– in current accounts	8,045	4,978
– deposits with original maturity of less than three months	216	807
Cheques and drafts on hand	21	30
Cash on hand	23	30
	<b>8,305</b>	<b>5,845</b>
<b>Other Bank Balances</b>		
– Deposits with original maturity for more than three months but less than twelve months	743	88
– on unpaid dividend account	13	11
	<b>756</b>	<b>99</b>
<b>Total</b>	<b>9,061</b>	<b>5,944</b>

## Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

### 22. Short Term Loans and Advances

	As At March 31, 2014	As At March 31, 2013
<i>Unsecured, considered good (unless otherwise stated)</i>		
Security Deposits	43	45
Loans and advances to related parties	320	195
Advances to be recoverable in cash or kind		
Unsecured, considered good	3,421	3,002
Doubtful	18	8
	<b>3,439</b>	<b>3,010</b>
Less: Provision for doubtful advances	18	8
	<b>3,421</b>	<b>3,002</b>
<b>Other loans and advances</b>		
Advance income-tax	39	68
Prepaid expenses	183	293
Loans to employees	79	42
Balances with Government Authorities <sup>1</sup>	2,063	2,055
Interest receivable	14	8
	<b>2,378</b>	<b>2,466</b>
<b>Total</b>	<b>6,162</b>	<b>5,708</b>

<sup>1</sup> Net of provision for doubtful advances ₹ 178 million (Previous year ₹ 115 million) 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.

### 23. Other current assets

	As At March 31, 2014	As At March 31, 2013
<i>Unsecured, considered good (unless otherwise stated)</i>		
Interest accrued on fixed deposits	3	2
Capital Subsidy Receivable	48	49
Other Receivables	75	48
<b>Total</b>	<b>126</b>	<b>99</b>

### 24. Revenue From Operations (Net)

	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>Sales of Products</b>		
Finished Goods		
Within India	51,324	50,935
Outside India	256,268	204,191
Traded Goods	1,682	2,791
Sales of Services / Service Income	461	539
<b>Other operating revenue:</b>		
Scrap sales	212	302
Job work income	27	30
	<b>309,974</b>	<b>258,788</b>
Less: Excise Duty	5,695	5,664
<b>Total</b>	<b>304,279</b>	<b>253,124</b>

# Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

## 25. Other Income

	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest Income	165	121
Dividend Income		
- From non current investments	3	2
- From current investments <sup>1</sup>	0	0
Rent	171	167
Change in carrying amount of current investments	1	1
Profit on Sale of fixed assets	37	93
Export Incentives	32	3
Liabilities no longer required written back	396	286
Government Grants & Subsidies	590	585
Miscellaneous recovery from customers	1,066	752
Profit on sale of Investments <sup>1</sup>	0	-
Miscellaneous Income	645	1,205
<b>Total</b>	<b>3,106</b>	<b>3,215</b>

<sup>1</sup> Amounts are below the rounding off norm adopted by the Company.

## 26. Cost of materials consumed

	For the year ended March 31, 2014	For the year ended March 31, 2013
Opening stock of raw materials	9,312	8,886
Opening stock of raw materials (on acquisition/ amalgamation)	-	99
Add : Purchases of raw materials	195,551	167,018
Less: Closing stock of raw materials	10,499	9,312
Add: Exchange adjustment:		
Exchange differences opening stock (gain)/loss	1,239	167
Exchange differences closing stock (loss)/gain	(46)	2
<b>Total</b>	<b>195,557</b>	<b>166,860</b>

## 27. Changes in inventory of finished goods, work in progress and stock in trade

	For the year ended March 31, 2014	For the year ended March 31, 2013
(Increase)/ decrease in stocks		
Stock at the opening of the year:		
Finished goods	3,795	3,339
Work-in-progress	10,723	8,285
Stock in trade	614	258
	<b>15,132</b>	<b>11,882</b>
Less: Stock at the end of the year:		
Finished goods	4,910	3,795
Work-in-progress	15,273	10,723
Stock in trade	376	614
	<b>20,559</b>	<b>15,132</b>
Add: Exchange adjustment:		
Exchange differences opening stock (gain)/loss	2,125	311
Exchange differences closing stock (loss)/gain	266	(91)
<b>(Increase)/ decrease in stocks</b>	<b>(3,036)</b>	<b>(3,030)</b>

## Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

### 28. Employee Benefits Expense

	For the year ended March 31, 2014	For the year ended March 31, 2013
Salary, Wages & Bonus	43,745	36,327
Contribution to Provident & Other Fund	5,595	4,903
Staff welfare expenses	1,611	1,426
Severance costs	113	171
<b>Total</b>	<b>51,064</b>	<b>42,827</b>

### 29. Other Expenses

	For the year ended March 31, 2014	For the year ended March 31, 2013
Electricity, Water and Fuel	5,945	5,189
Repairs and Maintenance		
Machinery	3,178	2,667
Building	1,002	820
Others	749	757
Consumption of Stores and Spare Parts	1,758	1,431
Conversion Charges	390	389
Excise Duty expenses <sup>1</sup>	4	18
Lease rent (operating leases) (Refer note 39)	3,168	2,665
Rates & taxes	697	507
Insurance	348	333
Exchange fluctuation (net)		
- Long term foreign currency loans	1,777	1,279
- others	104	348
Donation	27	35
Travelling	1,588	1,274
Freight & forwarding	3,701	3,348
Royalty	308	287
Cash Discount	135	140
Commission	18	11
Loss on sale of fixed assets (Net)	-	30
Provision for Diminution in value of investments (Net) <sup>2</sup>	-	0
Bad Debts/Advances written off	66	90
Doubtful Debts/Advances <sup>3</sup>	111	115
Auditors fees and expenses (Refer Note 36)	60	61
Legal & Professional expenses	2,902	2,509
Miscellaneous expenses	7,594	6,389
<b>Total</b>	<b>35,630</b>	<b>30,692</b>

<sup>1</sup> Represents excise duty related to the differences between the closing stock and the opening stock.

<sup>2</sup> Amount is below the rounding off norm adopted by the Company.

<sup>3</sup> Provision for doubtful advances includes ₹ 63 million (Previous year ₹ 115 million) 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.



# Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

## 30. Finance Cost

	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest and Finance Expense		
- on non current borrowings	1,756	1,877
- on shortfall of advance tax	14	-
- other borrowing costs	655	438
- commitment charges on borrowings	236	-
- Others	282	180
<b>Total</b>	<b>2,943</b>	<b>2,495</b>

## 31. Depreciation and Amortization Expense

	For the year ended March 31, 2014	For the year ended March 31, 2013
Depreciation on Tangible assets <sup>1a &amp; 1b</sup>	7,842	6,883
Amortization on Intangible assets	293	249
Depreciation on Investment Property	46	21
Less Capitalised during the year <sup>2</sup>	(9)	(8)
<b>Total</b>	<b>8,172</b>	<b>7,145</b>

<sup>1a</sup> The 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 ₹ Nil (Previous year ₹ 200 million).

<sup>1b</sup> Includes reversal of excess impairment loss of ₹ 10 million (Previous Year ₹ Nil) provided in previous year.

<sup>2</sup> Depreciation on assets used for creation of self generated assets.

## 32. Contingent Liabilities:

### A) Claims against the Company not acknowledge as debts#

	As at March 31, 2014	As at March 31, 2013
a) Excise Matters	48	52
b) Customs Demand Matters	-	1
c) Sales Tax Matters	114	60
d) Service Tax Matters	42	35
e) Stamp Duty	5	5
f) Claims made by workmen	18	29
g) Income Tax Matters	88	64
h) Warranty and Other claims	0*	-

# Against which Company has given bank guarantees amounting to ₹ 35 million (Previous Year ₹ 34 million)

\* Amount below rounding off norms adopted by the Company

(a) The Company does not expect any reimbursements in respect of the above contingent liabilities.

(b) 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)** In respect of one of its overseas subsidiaries in Brazil the subsidiary has been granted in the 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. 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.

## Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

### 33. Capital and Other Commitments

	As at March 31, 2014	As at March 31, 2013
<b>(a) Capital Commitments</b>		
Estimated value of contracts in capital account remaining to be executed not accounted as debt, Net of Advances of ₹ 2,644 million (Previous year ₹ 913 million)	3,860	605
<b>Total</b>	<b>3,860</b>	<b>605</b>

### 34. 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, 2014	March 31, 2013	
MSSL Mauritius Holdings Limited	Mauritius	100%	100%	March 31, 2014
MSSL Mideast (FZE)	UAE	100%	100%	March 31, 2014
Motherhood Electrical Wires Lanka Private Limited	Sri Lanka	100%	100%	March 31, 2014
MSSL Handels GmbH "in Liqui."	Austria	100%	100%	March 31, 2014
MSSL (S) Pte Limited	Singapore	100%	100%	March 31, 2014
MSSL (GB) Limited (held by MSSL Mideast (FZE))	UK	100%	100%	March 31, 2014
Motherhood Wiring System (FZE) (held by MSSL Mideast (FZE))	UAE	100%	100%	March 31, 2014
MSSL Tooling (FZE) (held by MSSL Mideast (FZE))	UAE	100%	100%	March 31, 2014
MSSL Ireland Private Limited (held by MSSL Mauritius Holdings Limited)	Ireland	100%	100%	March 31, 2014
MSSL GmbH (held by MSSL Mideast (FZE))	Germany	100%	100%	March 31, 2014
MSSL Polymers GmbH (merged with MSSL GmbH w.e.f 26.08.2013)	Germany	-	100%	-
Samvardhana Motherhood Invest Deutschland GmbH (held by MSSL GmbH)	Germany	100%	100%	March 31, 2014
MSSL Advanced Polymers s.r.o.(held by MSSL GmbH)	Czech Republic	100%	100%	March 31, 2014
Motherhood Orca Precision Technology GmbH (held by MSSL GmbH)	Germany	95.10%	95.10%	March 31, 2014
MSSL s.r.l. Unipersonale (held by MSSL GmbH)	Italy	100%	100%	March 31, 2014
Motherhood Techno Precision México, S.A. de C.V (held by MSSL GmbH)	Mexico	100%	-	March 31, 2014
Global Environment Management (FZC) (held by MSSL Mauritius Holdings Limited)	UAE	78.82%	78.82%	March 31, 2014
Global Environment Management Australia Pty Limited (held by Global Environment Management (FZC))	Australia	100%	100%	March 31, 2014
MSSL Australia Pty Limited (held by MSSL (S) Pte. Ltd.)	Australia	80%	80%	March 31, 2014

# Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

Name of the Company	Country of Incorporation	% voting power held as at		Reporting Dates used for Consolidation
		March 31, 2014	March 31, 2013	
Motherson Elastomers Pty Limited (held by MSSL Australia Pty Limited)	Australia	100%	100%	March 31,2014
Motherson Investments Pty Limited (held by MSSL Australia Pty Limited)	Australia	100%	100%	March 31,2014
MSSL Global RSA Module Engineering Limited (held by MSSL Mauritius Holdings Limited)	South Africa	100%	100%	March 31,2014
Samvardhana Motherson Global Holdings Ltd. (SMGHL) (held by MSSL Mauritius Holdings Limited)	Cyprus	51%	51%	March 31,2014
MSSL Japan Limited (held by MSSL (S) Pte Limited)	Japan	100%	100%	March 31,2014
MSSL México, S.A. De C.V. (held by MSSL (S) Pte Limited)	Mexico	100%	100%	March 31,2014
Vacuform 2000 (Proprietary) Limited (Vacuform) (held by MSSL Mauritius Holdings Limited)	South Africa	51%	51%	March 31,2014
MSSL WH System (Thailand) Co., Ltd (held by MSSL (S) Pte. Ltd.)	Thailand	100%	100%	March 31,2014
MSSL Korea WH Limited (held by MSSL (S) Pte. Ltd.)	Korea	100%	100%	March 31,2014
MSSL Automobile Component Ltd	India	100%	100%	March 31,2014
Samvardhana Motherson Polymers Limited (SMPL)	India	51%	51%	March 31,2014
Samvardhana Motherson B.V.(held by Samvardhana Motherson Polymers Limited)	Netherlands	100%	100%	March 31,2014
Samvardhana Motherson Peguform GmbH (held by Samvardhana Motherson B.V.)	Germany	100%	100%	March 31,2014
SMP Deutschland GmbH (held by Samvardhana Motherson Peguform GmbH and SMGHL)	Germany	83.72%	83.72%	March 31,2014
SMP Automotive Technology Iberica S.L. (held by Samvardhana Motherson B.V.)	Spain	83.72%	83.72%	March 31,2014
SMP Automotive Technology Management Services (Changchun) Co. Ltd. (held by SMP Deutschland GmbH)	China	100%	100%	March 31,2014
SMP Automotive Technologies Teruel Sociedad Limitada (held by SMP Automotive Technology Iberica S.L.)	Spain	100%	100%	March 31,2014
SMP Automotive Systems Mexico S.A. de C.V. (held by SMP Automotive Technology Iberica S.L.)	Mexico	100%-1share	100%-1share	March 31,2014
Samvardhana Motherson Peguform Barcelona S.L.U (held by SMP Automotive Technology Iberica S.L.)	Spain	100%	100%	March 31,2014
SMP Automotive Solutions Personalleasings GmbH (held by SMP Deutschland GmbH)	Germany	100%	100%	March 31,2014

## Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

Name of the Company	Country of Incorporation	% voting power held as at		Reporting Dates used for Consolidation
		March 31, 2014	March 31, 2013	
Samvardhana Motherson Peguform Automotive Technology Portugal S.A. (held by SMP Automotive Technology Iberica S.L.)	Portugal	100%	100%	March 31, 2014
SMP Automotive Solutions Slovakia s.r.o (held by SMP Deutschland GmbH)	Slovakia	100%	100%	March 31, 2014
Changchun Peguform Automotive Plastics Technology Co., Ltd. (held by SMP Deutschland GmbH)	China	50% + 1share	50% + 1share	March 31, 2014
SMP Tecnologia Parachoques S.A. de C.V. (held by SMP Automotive Technology Iberica S.L.)	Mexico	100%-1share	100%-1share	March 31, 2014
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, 2014
SMP Automotive Produtos Automotivos do Brasil Ltda. (held by SMP Automotive Technology Iberica S.L.)	Brazil	100%-1share	100%-1share	March 31, 2014
PAINTYES – Sociedade Portuguesa de Pintura, S.A. (till 30.12.2013 - merged with Samvardhana Motherson Peguform Automotive Technology Portugal S.A)	Portugal	-	100%	-
Foshan Peguform Automotive Plastics Technology Co. Ltd. (held by Changchun Peguform Automotive Plastics Technology Co., Ltd.)	China	100%	100%	March 31, 2014
SMP Exterior Automotive GmbH (incorporated on 31.05.2013)	Germany	100%	-	March 31, 2014
SMP Automotive Interiors (Beijing) Co. Ltd (incorporated on 31.03.2014)	China	100%	-	March 31, 2014
Samvardhana Motherson Reflectec Group Holdings Limited (SMR) (held by SMGHL)	Jersey	93.63%	93.63%	March 31, 2014
SMR Automotive Holding Hong Kong Limited (held by SMR)	Hong Kong	100%	100%	March 31, 2014
SMR Automotive Technology Holding Cyprus Limited (held by SMR)	Cyprus	100%	100%	March 31, 2014
SMR Automotive Mirror Systems Holding Deutschland GmbH (held by SMR)	Germany	100%	100%	March 31, 2014
SMR Automotive Mirrors Stuttgart GmbH (held by SMR)	Germany	100%	100%	March 31, 2014
SMR Poong Jeong Automotive Mirrors Korea Ltd. (held by SMR)	South Korea	90%	90%	March 31, 2014
SMR Hyosang Automotive Ltd. (held by SMR)	South Korea	90%	90%	March 31, 2014
SMR Holding Australia Pty Ltd. (held by SMR)	Australia	100%	100%	March 31, 2014
SMR Automotive Australia Pty Limited (held by SMR)	Australia	100%	100%	March 31, 2014

# Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

Name of the Company	Country of Incorporation	% voting power held as at		Reporting Dates used for Consolidation
		March 31, 2014	March 31, 2013	
SMR Automotive Mirror Technology Hungary BT (held by SMR)	Hungary	100%	100%	March 31, 2014
SMR Grundbesitz GmbH & Co. KG (held by SMR)	Germany	94%	94%	March 31, 2014
SMR Automotive (Langfang) Co. Ltd (held by SMR, Korea)	China	100%	100%	March 31, 2014
SMR Automotive Mirror Parts and Holdings UK Ltd (held by SMR)	UK	100%	100%	March 31, 2014
SMR Automotive Services Portchester Ltd (held by SMR)	UK	100%	100%	March 31, 2014
SMR Automotive Mirrors UK Limited (held by SMR)	UK	100%	100%	March 31, 2014
SMR Automotive Technology Valencia S.A.U. (held by SMR)	Spain	100%	100%	March 31, 2014
SMR Automotive Mirror Services UK Ltd. (held by SMR)	UK	100%	100%	March 31, 2014
SMR Automotive Technology Holdings USA Partners (till- 31.03.2014 - dissolved)	USA	100%	100%	March 31, 2014
SMR Automotive Mirror International USA Inc. (held by SMR)	USA	100%	100%	March 31, 2014
SMR Automotive Systems USA Inc. (held by SMR)	USA	100%	100%	March 31, 2014
SMR Automotive Systems France S.A. (held by SMR)	France	100%	100%	March 31, 2014
SMR Automotive Systems India Limited (held by SMR)	India	100%	100%	March 31, 2014
SMR Automotive Yancheng Co. Limited (held by SMR)	China	100%	100%	March 31, 2014
SMR Automotive Beijing Company Limited (held by SMR)	China	100%	100%	March 31, 2014
SMR Automotive Mirror Technology Holding Hungary KFT (held by SMR)	Hungary	100%	100%	March 31, 2014
SMR Automotive Systems Spain S.A.U (held by SMR)	Spain	100%	100%	March 31, 2014
SMR Automotive Vision Systems Mexico S.A de C.V (held by SMR)	Mexico	100%	100%	March 31, 2014
SMR Automotive Servicios Mexico S.A de C.V (held by SMR)	Mexico	100%	100%	March 31, 2014
SMR Patents S.à.r.l. (held by SMR)	Luxembourg	100%	100%	March 31, 2014
SMR Automotive Beteiligungen Deutschland GmbH (held by SMR)	Germany	100%	100%	March 31, 2014
SMR Automotive Brasil Ltda. (held by SMR)	Brazil	100%	100%	March 31, 2014
SMR Automotives Systems Macedonia Dooel Skopje (held by SMR)	Macedonia	100%	100%	March 31, 2014
SMR Automotive System (Thailand) Limited (held by SMR)	Thailand	100%	100%	March 31, 2014
SMR Automotive Operations Japan K.K. (held by SMR)	Japan	100%	100%	March 31, 2014

## Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

Name of the Company	Country of Incorporation	% voting power held as at		Reporting Dates used for Consolidation
		March 31, 2014	March 31, 2013	
SMR Automotive Vision System Operations USA INC. (held by SMR) (incorporated on 17.03.2014)	USA	100%	-	March 31, 2014
SMR Mirror UK Limited (held by SMR) (incorporated 19.03.2014)	UK	100%	-	March 31, 2014

### B. Details of Associate Company are as follows:

Name of the Company	Country of Incorporation	% voting power held as at		Reporting Dates used for Consolidation
		March 31, 2014	March 31, 2013	
SAKS Ancillaries Limited	India	40.01%	40.01%	March 31, 2014
Re time Pty Limited (held by SMR)	Australia	40.6%	40.6%	March 31, 2014

### 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, 2014	March 31, 2013	
Kyungshin Industrial Motherson Limited	India	50%	50%	March 31, 2014
Woco Motherson Limited (FZC) (through MSSL Mauritius Holdings Limited)	U.A.E	33.33%	33.33%	December 31, 2013
Woco Motherson Elastomers Limited	India	33.33%	33.33%	March 31, 2014
Woco Motherson Advanced Rubber Technologies Limited	India	33.33%	33.33%	March 31, 2014
Calsonic Kansei Motherson Auto Products Limited	India	49%	49%	March 31, 2014
Samvardhana Motherson Nippisun Technology Ltd (SMNTL) (w.e.f 11.09.2013)	India	49.5%	-	March 31, 2014
Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd. (through SMR)	China	50%	50%	March 31, 2014
Chongqing SMR Huaxiang automotive Products Limited (w.e.f 08.08.2013) (through SMR)	China	50%	-	March 31, 2014
Celulosa Fabril S.A. (Zaragoza, ES) (through SMP automotive technology Iberica S.L.)	Spain	50%	50%	March 31, 2014
Modulos Rivera Alta S.L.U. (through Celulosa Fabril S.A.)	Spain	100%	100%	March 31, 2014
Eissmann SMP Automotive Interieur Slovensko s.r.o (through SMP Deutschland GmbH)	Slovakia	49%	-	March 31, 2014



# Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

## 35. Derivative instruments and unhedged foreign currency exposure

### a. Derivatives outstanding as at the reporting date:

Figures in Million

Particulars	Currency	March 31, 2014	March 31, 2013
Hedge of external commercial borrowings and long term loans	USD : INR	USD 5; ₹ 322	USD 7; ₹ 387
	JPY : INR	-	JPY 115; ₹ 67
	EUR : USD	USD 16; ₹ 929	USD 19; ₹ 1,059
Trade Payable	JPY : INR	JPY 1; ₹ 1	JPY 118; ₹ 69
Trade Receivable	EUR : INR	EUR 3; ₹ 283	EUR 1; ₹ 75

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

Currency	As at March 31, 2014 Payable / (Receivable)	As at March 31, 2013 Payable / (Receivable)
AED	1	2
AUD*	(1)	0
CNY*	(1)	0
CZK	-	(9)
CHF*	(0)	0
DKK	1	-
EUR*	21	0
GBP	(4)	(4)
HUF	1,423	168
INR	25	3
JPY	900	896
KRW*	2	0
MXN	22	(9)
SGD*	(0)	0
THB	16	5
USD	368	418
ZAR	(6)	-

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

## 36. Payment to Group's Auditors:

	Year ended March 31, 2014	Year ended March 31, 2013
Audit Fees (including limited review)	58	54
Fee for certification & other services (including reimbursement of expenses)	2	7
<b>Total</b>	<b>60</b>	<b>61</b>

## Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

### 37. Earnings per share

	Year ended March 31, 2014	Year ended March 31, 2013
<b>a) Basic</b>		
Net profit after tax available for equity Shareholders (₹ in Million) <b>(A)</b>	7,650	4,445
Equity Shares outstanding at year end <sup>1</sup>	881,919,360	587,946,240
Add: Bonus Shares issued by capitalization of Securities Premium/ Capital Redemption Reserve on December 24, 2013 adjusted	-	293,973,120
Weighted Average number of equity shares used to compute basic earnings per share <b>(B)</b>	881,919,360	881,919,360
Basic Earnings (in Rupees) Per Share of ₹ 1/- each. (Previous Year ₹ 1/- each) <b>(A/B)</b>	8.7	5.0
<b>b) Diluted</b>		
Net profit after tax available for equity Shareholders (Rs in Million) <b>(A)</b>	7,650	4,445
Weighted Average number of equity shares used to compute basic earnings per share <b>(B)</b>	881,919,360	881,919,360
Diluted Earnings (in Rupees) Per Share of ₹ 1/- each. (Previous Year ₹ 1/- each) <b>(A/B)</b>	8.7	5.0

<sup>1</sup> During the year the company has made allotment of 293,973,120 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 "Earnings Per Share" the weighted average number of shares outstanding for the previous year have been adjusted.

### 38. The group has the following provisions in the books of account:

	Warranty		Onerous Contracts		Litigations	
	2014	2013	2014	2013	2014	2013
Opening Balance	537	547	40	54	91	79
Additions during the year*	714	366	-	0	79	21
Utilised / Reversed during the year	(455)	(398)	(46)	(15)	(28)	(6)
Exchange translation adjustment	75	22	7	1	14	(3)
<b>Closing Balance</b>	<b>871</b>	<b>537</b>	<b>1</b>	<b>40</b>	<b>156</b>	<b>91</b>
Classified as Non - Current	114	51	-	-	63	71
Classified as Current	757	486	1	40	93	20

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

#### 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 - ₹ 53 million (Previous Year : ₹ 60 million): Amount of the provision relates to claims against the company in respect of overtime payment, salary parity payment, tenure / damages caused by labour related diseases and labour accidents.

# Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

- b. Civil claims - ₹ 10 million (Previous Year ₹ 11 million): Amount of the provision relates to claims against the company from suppliers.
- c. Tax and other claims - ₹ 31 million (Previous Year ₹ 20 million): Amount of the provision relates to claims against the company in respect of sales tax, excise and entry tax demands including interest thereon, where applicable, being contested by the Company. It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.
- d. Litigations Cost - ₹ 62 million (Previous Year ₹ Nil): Amount of provision relates to costs to be incurred in respect of compensation claim, on Cross Industries (former shareholder of Peguform Group) for violation of obligations of the share purchase agreement, filed with International Chamber of Commerce.

## 39. Leases Obligation Disclosures

### Finance Leases:

Assets acquired on finance lease and hire purchase contract comprise property and plant & machinery. Future minimum lease payment under finance leases and hire purchase contracts are as follows:

	Minimum Lease Payments	
	March 31, 2014	March 31, 2013
Not later than one year	741	572
Later than 1 year and not later than 5 years	1,684	1,723
Later than 5 years	136	182
<b>Total</b>	<b>2,561</b>	<b>2,477</b>
Less: Finance Charges	248	269
<b>Present value of minimum lease period</b>	<b>2,313</b>	<b>2,208</b>

### Operating Leases:

The Company has significant operating leases for premises. These lease arrangements range for a period between 11 months and 10 years, which include both cancellable and no cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses. The Company has entered into some sub-leases and all such subleases are cancellable and are for a period of 11 months, with an option of renewal on mutually agreeable terms.

	Year ended March 31, 2014	Year ended March 31, 2013
<b>With respect to all operating leases;</b>		
Lease payments recognized in the Statement of Profit and Loss during the year	3,168	2,665
Sub-lease payments received / receivable recognized in the Statement of Profit and Loss during the year	171	167

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, 2014	As at March 31, 2013
Payable not later than 1 year	1,087	641
Payable later than 1 year and not later than 5 years	2,178	1,456
Payable later than 5 years	996	573

## 40. 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

## Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

Woco Motherson Limited (FZC) (Indirectly through Subsidiary)  
 Calsonic Kansei Motherson Auto Products Limited  
 Ningbo SMR Huaxiang Automotive Mirrors Co. Limited (Indirectly through Subsidiary)  
 Chongqing SMR Huaxiang Automotive Products Limited (w.e.f 08.08.2013) (Indirectly through Subsidiary)  
 Celulosa Fabril (Cefa) S.A. (Zaragoza, ES) (Indirectly through Subsidiary)  
 Modulos Rivera Alta S.L.U. (Indirectly through Subsidiary)  
 Samvardhana Motherson Nippisun Technology Ltd (SMNTL) (w.e.f 11.09.2013)  
 Eissmann SMP Automotive Interieur Slovensko s.r.o.) (Indirectly through Subsidiary)

### b. Associate Companies:

Saks Ancillaries Limited  
 Re-time Pty Limited

### c. Key Management Personnel:

#### Board of Directors:

Mr. V. C. Sehgal  
 Mr. Laksh Vaaman Sehgal  
 Mr. Toshimi Shirakawa  
 Maj. Gen. Amarjit Singh (Retd.)  
 Mr. Arjun Puri  
 Mr. Pankaj Mital  
 Mr. S C Tripathi, IAS (Retd.)  
 Mr. Gautam Mukherjee  
 Ms. Geeta Mathur w.e.f. 31.01.2014.  
 Ms. Noriyo Nakamura w.e.f. 31.01.2014  
 Mr. Hideaki Ueshima Till- 23.12.2013  
 Mr. S.P. Talwar Till- 23.05.2013

#### Other Key Management Personnel:

Mr. Bimal Dhar  
 Mr. G.N. Gauba  
 Mr. Sanjay Mehta

#### 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. Neelu Mehra (Sister of Mr.V.C. Sehgal)  
 Ms. Samriddhi Sehgal (Wife of Mr. Laksh Vaaman 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 (Partnership Firm)  
 Southcity Motors Limited  
 Motherson Techno Tools Limited  
 Motherson Techno Tools Mideast (FZE)  
 SWS India Management & Support Service (P) Limited  
 Vaaman Auto Industry (Partnership Firm)

# Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

MothersonSumi INFotech and Designs Limited  
 Motherson Engineering Research and Integrated Technologies Limited  
 Moon Meadows Private Limited  
 Sisbro Motor and Workshop Private Limited  
 NACHI Motherson Tool Technology Limited  
 Motherson (Partnership Firm)  
 Samvardhana Motherson International Limited  
 A Basic Concepts Design Pty Limited  
 ATAR Mauritius Private Limited  
 Motherson Auto Solutions Limited  
 Motherson Machinery and Automations Limited  
 Spheros Motherson Thermal System Limited  
 Matsui Technologies India Limited  
 Motherson Moulds and Diecasting Limited  
 Anest Iwata Motherson Limited  
 Field Motor Limited  
 AES (India) Engineering Limited  
 Motherson Auto Engineering Service Ltd  
 Anest Iwata Motherson Coating Equipment Limited  
 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.  
 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 Consultancies Service Limited (earlier known as Motherson Climate System Ltd.)  
 Spirited Auto Cars (I) Limited  
 Motherson Lease Solution  
 Systematic Conscom Limited  
 MAS Middle East Ltd. (FZE)  
 Nachi Motherson Precision Ltd.  
 Motherson Bergstrom HVAC Solutions Private Limited  
 Motherson Sintermetal Technology Limited  
 Advanced Technologies and Auto Resources Pte. Ltd.  
 Edcol Global Pte. Limited  
 Motherson Innovative Technologies and Research  
 Radha Rani Holdings Pte Ltd

## Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

Sehgals Trustee Company Private Limited (incorporated on 20.03.2014)

Nirvana Agro Products Private Limited (incorporated on 22.01.2014)

### e. Joint Venturer:

Sumitomo Wiring Systems Limited, Japan

Kyungshin Corporation, Korea

Woco Franz Josef Wolf Holding GmbH, Germany

Calsonic Kansei Corporation, Japan

E-Compost Pty. Limited, Australia

Dremotech GmbH & Co. KG., Germany

Cross Motorsport Systems AG

Blanos Partners S.L.

Changshu Automobile Interior Decoration Co., Ltd

Ningbo Huaxiang Electronic Co., Ltd.

Eissmann Automotive Slovensko s.r.o

### 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 40 (1) (a) above		Parties mentioned in 40 (1) (b) & (d) above		Parties mentioned in 40 (1) (e) above		Parties mentioned in 40 (1) (c) above	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1	Sale of Goods	2,142	1,426	182	198	565	523	-	-
2	Rendering of Services	258	261	31	10	-	0#	-	-
3	Rent Income	36	23	29	36				
4	Sale of Fixed Assets	-	0#	2	36	-	-	-	-
5	Purchase of Goods	37	40	1,110	1,038	2,398	2,193	-	-
6	Purchase of Fixed Assets	-	-	640	940	138	201	-	-
7	Purchase of Services	0#	1	1,375	1,129	26	26	1	1
8	Rent Expense	-	-	198	74	-	-	4*	5*
9	Reimbursement Made	0#	1	51	66	0#	0#	-	-
10	Reimbursement Received	2	1	1	2	-	-	-	-
11	Investments made during the year	-	-	-	-	-	-	-	-
12	Purchase of Shares	-	-	-	13	-	-	-	-
13	Investments Redeemed/ Sale of Shares	-	-	-	-	-	-	-	-
14	Royalty	-	-	-	7	296	264	-	-
15	Remuneration/Sitting Fees of Directors and Key Management Personnel	-	-	-	-	-	-	34	24
16	Interest Income	1	-	11	21	-	-	-	-
17	Interest Expense	-	-	29	2	-	0#	-	-
18	Dividend Paid	-	-	426	341	405	347	45**	34**
19	Dividend Received	215	372	3	2	-	-	-	-



# Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

S. No.	Particulars	Parties mentioned in 40 (1) (a) above		Parties mentioned in 40 (1) (b) & (d) above		Parties mentioned in 40 (1) (e) above		Parties mentioned in 40 (1) (c) above	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
20	Capital Received from Minority	-	-	-	260	97	-	-	-
21	Loans Received during the year	-	-	567	38	-	-	-	-
22	Loans Given during the year	25	-	427	-	-	-	-	-
23	Loans Repaid during the year	-	-	10	87	-	-	-	-
24	Loans Received back during the year	-	-	427	20	-	-	-	-
25	Security Deposits Received	1	-	0#	-	-	-	-	-
26	Security Deposits Received back	-	-	34	-	-	-	-	1
27	Security Deposits Repaid	-	-	7	-	-	-	-	-
28	Security Deposit given	-	-	122	97	-	-	-	-

## Balances as at year end

29	Investments	-	-	66	66	-	-	-	-
30	Loans Receivable	25	-	100	100	-	-	-	-
31	Loans Payable	-	-	580	22	20	20	-	-
32	Interest Payable	-	-	18	-	-	-	-	-
33	Advances and other Receivable	4	1	459	94	3	-	-	-
34	Interest Receivable	-	-	2	-	-	-	-	-
35	Security Deposit Received	41	40	32	34	-	-	-	-
36	Security Deposits Given	-	-	194	141	-	-	-	-
37	Trade Payable	8	4	476	406	336	467	-	-
38	Trade Receivable	296	307	87	246	44	37	-	-
39	Advances from customer	0#	0#	0#	0#	1	1	-	-

\* Rent of ₹ 4 million (Previous Year ₹ 5 million) paid to Mr. V.C Sehgal, Mr. Laksh Vaaman Sehgal, Ms. Renu Sehgal, and Ms. Vidhi Sehgal.

\*\* Dividend of ₹ 45 million (Previous Year ₹ 34 million) paid to Mr. V. C. Sehgal, Ms. Renu Sehgal, Ms. Neelu Mehra, Ms. Geeta Soni, Mr. Bimal Dhar, Mr. Pankaj Mital, Mr. M.S. Gujral, Mr. G.N.Gauba.

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

## Notes to the consolidated financial statements

(All amounts are 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	2013-14		2012-13	
		Name of Related Party	Amount	Name of Related Party	Amount
1	Sale of Goods	Kyungshin Industrial Motherson Limited	1,859	Kyungshin Industrial Motherson Limited	1,275
		Sumitomo Wiring Systems Limited, Japan	556	Sumitomo Wiring Systems Limited, Japan	522
2	Rendering of Services	Kyungshin Industrial Motherson Limited	247	Kyungshin Industrial Motherson Limited	249
3	Rent Income	Woco Motherson Elastomer Limited	11	Woco Motherson Elastomer Limited	11
		Calsonic Kansei Motherson Auto Products Limited	19	Calsonic Kansei Motherson Auto Products Limited	12
		Motherson Moulds and Diecasting Limited	9	Motherson Moulds and Diecasting Limited	8
		Magnetti Marelli Motherson Auto System Limited	8	Magnetti Marelli Motherson Auto System Limited	5
4	Sale of Fixed Assets	Magnetti Marelli Motherson Auto System Limited	1	Magnetti Marelli Motherson Auto System Limited	35
		Systematic Conscom Limited	1	Systematic Conscom Limited	-
5	Purchase of Goods	Edcol Global Pte. Limited	404	Edcol Global Pte. Limited	331
		Sumitomo Wiring Systems Limited, Japan	739	Sumitomo Wiring Systems Limited, Japan	600
		Kyungshin Industrial Co., Korea	1607	Kyungshin Industrial Co., Korea	1,393
6	Purchase of Fixed Assets	Systematic Conscom Limited	508	Systematic Conscom Limited	800
		Calsonic Kansei Corporation, Japan	86	Calsonic Kansei Corporation, Japan	-
7	Purchase of Services	Saks Ancillaries Limited	150	Saks Ancillaries Limited	144
		Motherson Auto Limited	197	Motherson Auto Limited	185
		Motherson Air Travel Agencies Limited	204	Motherson Air Travel Agencies Limited	197
		Motherson Sumi Infotech and Designs Limited	517	Motherson Sumi Infotech and Designs Limited	399
8	Rent Expense	Motherson Auto Limited	125	Motherson Auto Limited	48
		Motherson Air Travel Agencies Limited	25	Motherson Air Travel Agencies Limited	25
		Motherson Lease Solution Limited (formerly Style Motors Limited)	47	Motherson Lease Solution Limited (formerly Style Motors Limited)	0
9	Reimbursement Made	Systematic Conscom Limited	25	Systematic Conscom Limited	28
		Motherson Auto Limited	5	Motherson Auto Limited	9
		MAS Middle East Ltd. (FZE)	9	MAS Middle East Ltd. (FZE)	7
10	Reimbursement Received	Samvardhana Motherson Nippisun Technology Ltd (SMNTL) (w.e.f 11.09.2013)	2	Samvardhana Motherson Nippisun Technology Ltd (SMNTL) (w.e.f 11.09.2013)	-
		MothersonSumi INFotech and Designs Limited	0	MothersonSumi INFotech and Designs Limited	(0)
		Magnetti Marelli Motherson Auto System Limited	1	Magnetti Marelli Motherson Auto System Limited	-

# Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

S. No.	Particulars	2013-14		2012-13	
		Name of Related Party	Amount	Name of Related Party	Amount
11	Royalty	Sumitomo Wiring Systems Limited, Japan	250	Sumitomo Wiring Systems Limited, Japan	213
		Kyungshin Industrial Co., Korea	36	Kyungshin Industrial Co., Korea	45
12	Remuneration/Sitting Fees of Directors and Key Management Personnel	Mr. Pankaj Mital	11	Mr. Pankaj Mital	9
		Mr. G. N. Gauba	10	Mr. G. N. Gauba	9
		Mr. Sanjay Mehta	6	Mr. Sanjay Mehta	5
13	Interest Income	Motherson Auto Limited	10	Motherson Auto Limited	21
		MAS Middle East Ltd. (FZE)	1	MAS Middle East Ltd. (FZE)	-
14	Interest Expense	Motherson Auto Limited	10	Motherson Auto Limited	-
		Samvardhana Motherson International Limited	19	Samvardhana Motherson International Limited	-
15	Dividend Paid	Samvardhana Motherson International Limited	425	Samvardhana Motherson International Limited	319
		Sumitomo Wiring Systems Limited, Japan	297	Sumitomo Wiring Systems Limited, Japan	223
		Kyungshin Industrial Co., Korea	108	Kyungshin Industrial Co., Korea	108
16	Dividend Received	Kyungshin Industrial Motherson Limited	215	Kyungshin Industrial Motherson Limited	301
17	Loans Received during the year	Samvardhana Motherson International Limited	560	Samvardhana Motherson International Limited	-
18	Loans given during the year	Motherson Techno Tools Limited	367	Motherson Techno Tools Limited	-
		MAS Middle East Ltd. (FZE)	60	MAS Middle East Ltd. (FZE)	-
19	Loans Repaid during the year	Saks Ancillaries Ltd	10	Saks Ancillaries Ltd	45
20	Loans Received back during the year	Motherson Techno Tools Limited	367	Motherson Techno Tools Limited	-
		MAS Middle East Ltd. (FZE)	60	MAS Middle East Ltd. (FZE)	-
21	Security Deposit Received	Woco Motherson Elastomer Limited	1	Woco Motherson Elastomer Limited	-
22	Security Deposits Given	Motherson Auto Limited	32	Motherson Auto Limited	97
		Motherson Lease Solution Limited (formerly Style Motors Limited)	91	Motherson Lease Solution Limited (formerly Style Motors Limited)	-
23	Security Deposits Received Back	Motherson Auto Limited	34	Motherson Auto Limited	-
24	Capital Received from Minority	Samvardhana Motherson International Limited	-	Samvardhana Motherson International Limited	260
<b>Balances as at year end</b>					
25	Loans Payable	Samvardhana Motherson International Limited	577	Samvardhana Motherson International Limited	-
26	Advances and other Receivable	Motherson Auto Limited	220	Motherson Auto Limited	78
		Systematic Conscom Limited	52	Systematic Conscom Limited	19
		CTM India Limited.	153	CTM India Limited	142
27	Loans Receivable	Samvardhana Motherson Nippisun Technology Ltd (SMNTL) (w.e.f 11.09.2013)	25	Samvardhana Motherson Nippisun Technology Ltd (SMNTL) (w.e.f 11.09.2013)	-
		Motherson Auto Limited	100	Motherson Auto Limited	100

## Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

S. No.	Particulars	2013-14		2012-13	
		Name of Related Party	Amount	Name of Related Party	Amount
28	Security Deposit Received	Kyungshin Industrial Motherson Limited	30	Kyungshin Industrial Motherson Limited	30
		CTM India Limited	23	CTM India Limited.	25
29	Security Deposits Given	Motherson Auto Limited	103	Motherson Auto Limited	140
		Motherson Lease Solution Limited (formerly Style Motors Limited)	89	Motherson Lease Solution Limited (formerly Style Motors Limited)	-
30	Trade Payable	Sumitomo Wiring Systems Limited, Japan	133	Sumitomo Wiring Systems Limited, Japan	241
		Systematic Conscom Limited	103	Systematic Conscom Limited	153
		MothersonSumi INFotech and Designs Limited	203	MothersonSumi INFotech and Designs Limited	84
		Kyungshin Industrial Co., Korea	172	Kyungshin Industrial Co., Korea	161
31	Trade Receivable	Kyungshin Industrial Motherson Limited	270	Kyungshin Industrial Motherson Limited	272
		MothersonSumi INFotech and Designs Limited	43	MothersonSumi INFotech and Designs Limited	-
		Sumitomo Wiring Systems Limited, Japan	42	Sumitomo Wiring Systems Limited, Japan	36
32	Advances from customers	Sumitomo Wiring Systems Limited, Japan	1	Sumitomo Wiring Systems Limited, Japan	1

### 41. Segment Information:

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

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

The business segment comprise of the following:

#### **Segments**

#### **Products categories in respective segments**

Automotive	Wiring Harness, High Tension Cords, Wire, Plastic Components, Rubber Components, Cockpit Assembly, Mould for wiring harness components and mould parts, Plastic 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, Plastic Components for white goods, Household Wires, Plates, Aerobin, Re-Timer light device, Premium embossed travel case, USB recharging cable

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

# Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

## a) Information about Primary Business Segment.

	Automotive		Non automotive		Unallocated		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>Segment revenue</b>								
External	301,083	249,826	5,927	6,129	210	263	307,220	256,218
Intersegment	-	-	-	-	-	-	-	-
<b>Total revenue #</b>	<b>301,083</b>	<b>249,826</b>	<b>5,927</b>	<b>6,129</b>	<b>210</b>	<b>263</b>	<b>307,220</b>	<b>256,218</b>
<b>Results</b>								
Segment result	19,785	11,419	652	678	-	-	20,437	12,097
Interest expense (net of Interest income)					2,778	2,373	2,778	2,373
Other Unallocable (net of Income)					1,697	1,381	1,697	1,381
Profit before taxation							15,962	8,342
Provision for taxation					4,994	3,835	4,994	3,835
Profit of Associate					(2)	8	(2)	8
Net profit after tax							10,966	4,515
- Concern Share							7,650	4,445
- Minority Share							3,316	70
<b>Other items</b>								
Segment assets	147,950	120,315	3,383	3,736 <sup>2</sup>	2,194	4,128 <sup>2</sup>	153,527	128,179
Segment liabilities	61,765	46,918	723	1,207	53,646	53,235	116,134	101,360
Capital expenditure	12,399	11,836	52	231	135	-	12,586	12,067
Depreciation & Impairment <sup>1</sup>	8,014	6,956	158	189	-	-	8,172	7,145

<sup>1</sup> Includes impairment loss amounting to ₹ Nil (Previous Year ₹ 200 million) recognized during the year and reversal of excess impairment loss of ₹ 10 million (Previous Year ₹ Nil) provided in the previous year.

<sup>2</sup> During the current year land and building amounting to ₹ Nil (Previous Year ₹ 222 million), 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	39,085	43,117	267,925	212,838	210	263	307,220	256,218
Inter segment		-		-		-		-
Total	39,085	43,117	267,925	212,838	210	263	307,220	256,218
Carrying amount of segment assets	31,080	31,149	120,253	92,903	2,194	4,128	153,527	128,179
Addition to fixed assets	2,280	3,414	10,306	8,653	-	-	12,586	12,067

## 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 are in ₹ Million, unless otherwise stated)

42. 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 Obligation

	Year ended March 31, 2014	Year ended March 31, 2013
<b>Obligations at year beginning</b>	<b>2,416</b>	<b>2,052</b>
Service Cost - Current	57	213
Interest Cost	103	80
Actuarial (gain) / loss	(20)	276
Benefit Paid	(67)	(258)
Effect of Exchange rate change	73	53
Addition due to transfer of employee	236	
<b>Obligations at year end</b>	<b>2,798</b>	<b>2,416</b>

#### (ii) Fair Value of Plan Assets

	Year ended March 31, 2014	Year ended March 31, 2013
<b>Plan assets at year beginning, at fair value</b>	<b>1,555</b>	<b>1,374</b>
Expected return on plan assets	74	60
Actuarial gain / (loss)	(46)	82
Contributions	240	125
Benefits paid	(50)	(125)
Effect of Exchange rate change	229	39
Addition due to transfer of employee*	0	-
<b>Plan assets at year end, at fair value</b>	<b>2,002</b>	<b>1,555</b>

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

#### (iii) Assets and Liabilities recognized in the Balance Sheet

	Year ended March 31, 2014	Year ended March 31, 2013
Present Value of the defined benefit obligations	2,798	2,416
Fair value of the plan assets	2,002	1,555
Amount not recognized because of limitation of assets	312	140
<b>Amount recognized as Liability</b>	<b>1,108</b>	<b>1,001</b>

#### Recognized Under

Long Term Provision (Refer Note No 8)	<b>1,034</b>	<b>893</b>
Short Term Provision (Refer Note No 12)	<b>74</b>	<b>108</b>

#### (iv) Defined benefit obligations cost for the year:

	Year ended March 31, 2014	Year ended March 31, 2013
Service Cost - Current	57	212
Interest Cost	103	80
Expected return on plan assets	(74)	(60)
Actuarial (gain) / loss	26	194
<b>Net defined benefit obligations cost</b>	<b>112</b>	<b>426</b>



# Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

## (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, 2014	Year ended March 31, 2013
LIC	402	303
Equities	221	165
Bonds, Gilts and Others	1,369	1,083
Cash	10	4
<b>Total</b>	<b>2,002</b>	<b>1,555</b>

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:

	2014		2013	
	Indian	Foreign	Indian	Foreign
Discount Rate	8.5%-9.7%	1.65%-12.0%	8.0%-8.5%	1.32%-12.0%
Future salary increases	6.0%-8.0%	2.5%-15.0%	6.0% - 7.50%	2.0% - 15.0%
Expected return on plan asset	8.0%-9.0%	3.5%-15.0%	8.0% - 9.40%	3.5% - 15.0%

## (vii) Amount recognized in current year and previous four years:

	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Defined benefit obligations	2,798	2,416	2,052	1,404	1,114
Plan assets	(2,002)	(1,555)	(1,374)	(1,109)	(966)
<b>Deficit /(Surplus)</b>	<b>796</b>	<b>861</b>	<b>678</b>	<b>295</b>	<b>148</b>

Expected contribution on account of Gratuity for the year ending March 31, 2015 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.

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

### (i) Present Value of Defined Benefit Obligation

	Year ended March 31, 2014	Year ended March 31, 2013
<b>Obligations at year beginning</b>	<b>165</b>	<b>105</b>
Service Cost - Current	59	32
Interest Cost	14	9
Actuarial (gain) / loss	(7)	34
Benefit Paid	(17)	(15)
<b>Obligations at year end</b>	<b>214</b>	<b>165</b>

## Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

### (ii) Assets and Liabilities recognized in the Balance Sheet:

	Year ended March 31, 2014	Year ended March 31, 2013
Present Value of the defined benefit obligations	214	165
Fair value of the plan assets	-	-
<b>Amount recognized as Liability</b>	<b>214</b>	<b>165</b>
<b>Recognized Under</b>		
Long Term Provision (Refer Note No 8)	172	157
Short Term Provision (Refer Note No 12)	42	8

### (iii) Defined benefit obligations cost for the year:

	Year ended March 31, 2014	Year ended March 31, 2013
Service Cost - Current	59	32
Interest Cost	14	9
Expected return on plan assets	-	-
Actuarial (gain) / loss	(7)	34
<b>Net defined benefit obligations cost</b>	<b>66</b>	<b>75</b>

### (iv) Actuarial assumptions:

	2014		2013	
	Indian	Foreign	Indian	Foreign
Discount Rate	8.5%-9.7%	1.32%-12.0%	8.0%-8.5%	1.32%-12.0%
Future salary increases	6.0%-8.0%	2.0%-15.0%	6.0% - 7.50%	2.0% - 15.0%

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

	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Defined benefit obligations	214	165	105	65	48
Plan assets	-	-	-	-	-
<b>Deficit / (Surplus)</b>	<b>214</b>	<b>165</b>	<b>105</b>	<b>65</b>	<b>48</b>

### (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 ₹ 5,531 million (Previous Year: ₹ 4,474 million).

### 43. Interest in Joint Ventures

The Group's interests, as a venture, in jointly controlled entities as at March 31, 2014 are:

Name of the Company	Country of Incorporation	% voting power held as at March 31, 2014	% voting power held as at March 31, 2013
Kyungshin Industrial Motherson Limited	India	50%	50%
Woco Motherson Limited (FZC)	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%
Samvardhana Motherson Nippisun Technology Ltd (SMNTL)	India	49.5%	-
Ningbo SMR Huaxiang Automotive Mirrors Co. Limited	China	50%	50%

# Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

Name of the Company	Country of Incorporation	% voting power held as at March 31, 2014	% voting power held as at March 31, 2013
Chongqing SMR Huaxiang Automotive Products Limited	China	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%
Eismann SMP Automotive Interieur Slovensko s.r.o	Slovakia	49%	-

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

Particulars	March 31, 2014	March 31, 2013
<b>Assets</b>		
<b>Non Current Assets</b>		
<b>Fixed Assets</b>		
Tangible Assets	1,082	889
Intangible Assets	72	51
Capital work in progress	683	11
Intangible assets under development	128	20
Non Current investments	316	2,825
Deferred tax assets (net)	62	41
Long Term loans and advances	482	175
Other Non-current assets <sup>#</sup>	0	0
<b>Current Assets</b>		
Current investments	-	-
Inventories	1,239	972
Trade Receivables	1,989	1,761
Cash & Bank Balances	638	487
Short Term loans and advances	249	189
Other current Assets	137	136
<b>Liabilities</b>		
<b>Non Current Liabilities</b>		
Long Term Borrowings	841	73
Deferred tax liabilities (net)	13	3
Other long term liabilities	63	24
Long Term provisions	28	22
<b>Current Liabilities</b>		
Short Term Borrowings	537	431
Trade Payables	2,078	1,450
Other Current liabilities	367	394
Short Term Provisions	47	41
<b>Reserves &amp; Surplus</b>	<b>1,276</b>	<b>1,611</b>
<b>Revenue</b>		
Revenue from Operations (net)	10,035	8,282
Other Income	78	18
<b>Total income</b>	<b>10,113</b>	<b>8,300</b>
Cost of materials consumed	7,703	6,126
Purchase of stock-in-trade	-	-
Changes in Inventories of finished goods, work-in-progress and stock in trade	(437)	9
Employee benefit expenses	893	580
Other expenses	935	777
Finance Cost (Net)	70	1
Depreciation	192	155
<b>Total Expenditure</b>	<b>9,356</b>	<b>7,648</b>

## Notes to the consolidated financial statements

(All amounts are in ₹ Million, unless otherwise stated)

Particulars	March 31, 2014	March 31, 2013
<b>Profit before Tax</b>	757	652
Provision for Tax	206	146
<b>Profit after Tax</b>	551	506
<b>Contingent Liabilities</b>		
- In respect of Income tax matters	26	24
- In respect of Service tax matters	6	6
- Bank Guarantees	2	2
<b>Capital Commitment</b>	141	10

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

- 44.** 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.
- 45.** The Board in their meeting held on January 31, 2014 took note of the put option exercised by PF Beteiligungsverwaltungs for 16.28% held by them in SMP Deutschland GmbH and SMP Automotive Technology Iberica S.L. in accordance with the framework agreement. On conclusion of the transaction within 210 days from the date of exercise of option, at Euro 28.49 million (proportionate acquisition price) plus interest at 6M EURIBOR, MSSSL and SMIL together will hold 100% stake in SMP Deutschland GmbH and SMP Automotive Technology Iberica S.L.
- 46.** Subsequent to the year end, SMGHL, holding company of Samvardhana Motherson Reflectec Group Holdings Limited (SMRGHL) has purchased 98,526,160 shares from minority shareholders of SMRGHL thereby increasing its holding in SMRGHL to 96.81% from 93.63%.
- 47.** Previous year figures have been reclassified to conform to this year's classification.

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

**RAJIB CHATTERJEE**  
Partner  
M.No.: 057134

Place: Noida  
Date : May 22, 2014

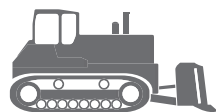
For and on behalf of the Board

**V.C. SEHGAL**  
Chairman

**NORIYO NAKAMURA**  
Director

**PANKAJ MITAL**  
Chief Operating Officer

**G.N. GAUBA**  
Chief Financial Officer &  
Company Secretary



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

## FORM A

1.	Name of the Company:	Motherson Sumi Systems Limited
2.	Annual financial statements for the year ended	March 31, 2014
3.	Type of Audit observation	Unqualified Audit opinion issued
4.	Frequency of observation	Not Applicable

For Price Waterhouse

Firm Registration Number: FRN 012754N

Chartered Accountants



**Rajib Chatterjee**

Partner

M.No: 057134

  
**G.N. Gauba**  
CFO

  
**S.C. Tripathi, IAS (Retd.)**  
Audit Committee Chairman

  
**Pankaj Mital**  
Whole-time Director