

Motherson Sumi Systems Limited



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CIN - L34300MH1986PLC284510

Date: September 21, 2016

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Exchange Plaza, 5th Floor
Plot No.C/1, G-Block
Bandra-Kurla Complex
Bandra (E)
MUMBAI – 400051, India

BSE Limited
1st Floor, New Trading Ring
Rotunda Building
P.J. Towers, Dalal Street
Fort
MUMBAI – 400001, India

Scrip Code : MOTHERSUMI

Scrip Code : 517334

Ref. : Annual Report for the Financial Year-ended March 31, 2016


Dear Sirs,

Pursuant to Provisions of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed please find herewith copy of Annual Report for the financial year ended March 31, 2016 which has been approved and adopted by the shareholders in the Annual General Meeting of the Company held on August 31, 2016.

This is for your information and record please.

Thanking you,

Yours faithfully,
For Motherson Sumi Systems Limited


(G.N. GAUBA)
CFO & Company Secretary

Encl. : As above

Annual Report

2015-2016

Year **1/5** of our
2020 plan.

Great
things
are
done
by a
series
of small
things
brought
together.

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.

(Late) Smt. S.L. Sehgal

Founder Chairperson

(Late) Sh. K.L. Sehgal

Chairman Emeritus

BOARD OF DIRECTORS

Mr. Vivek Chaand Sehgal

Chairman

**Mr. Sushil Chandra Tripathi,
IAS (Retd.)**

Independent Director

Mr. Toshimi Shirakawa

Director

Mr. Arjun Puri

Independent Director

Mr. Gautam Mukherjee

Independent Director

Ms. Geeta Mathur

Independent Director

Mr. Naveen Ganzu

Independent Director

Mr. Laksh Vaaman Sehgal

Director

Ms. Noriyo Nakamura

Director

Mr. Pankaj Mital

Whole-time Director/
Chief Operating Officer

Registered Office

Unit 705, C Wing, ONE BKC, G Block,
Bandra Kurla Complex, Bandra East,
Mumbai – 400051, Maharashtra, India

Investor Cell

Mr. G.N. Gauba
Company Secretary &
Chief Financial Officer
investorrelations@motherson.com

Registrar

Karvy Computershare Pvt. Ltd.
Karvy Selenium Tower B
Plot number 31 & 32
Financial District Nanakramguda
Serilingampally Mandal
Hyderabad – 500032, India

Auditors

Price Waterhouse Chartered
Accountants LLP.
Building 8, 7th & 8th Floor
DLF Cyber City, Gurgaon – 122002
Haryana, India

Bankers

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

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Mirrors
Motheron Innovations

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a bigger

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**Part
of**

The 2015-16 annual report marks the first year of our fifth five-year plan. The idea behind our five-year plans is to see the big picture and work hard to constantly strengthen our foundation and consolidate the gains, so that each year of the plan contributes to the overall outcome.

This means that every division, every department, every person and every action within MSSL is always “part of a bigger story”. The company as a whole is part of a bigger story too. We are part of the success of our customers, the growing prosperity of our investors and the strength of the communities we work in.

In this annual report we look behind the numbers and present to you a more in-depth look at our main divisions. We hope you will find this overview useful and enjoyable.

**a bigger
story.**

Samvardhana Motherson Group.



Samvardhana Motherson Group (SMG) is a leading supplier to the global automotive industry. It is a full system solutions provider with a diversified, industry-leading portfolio of auto ancillary products and services that focus principally on the automotive industry in India and around the world. It also caters to a number of other industries. The Group recorded a turnover of approximately USD 7.2 billion during 2015-16.

SMG is a global partner of a well balanced customer base spread across five continents, with more than 180 manufacturing plants and a global network of modern design centres in 25 countries across North America, South America, Europe, South Africa, Middle East, Asia Pacific and Australia.

SMG combines the power of innovation and high quality to passionately create world-class products that cater to customer needs across various industries. Our business portfolio is diverse, comprising electrical distribution systems (wiring harnesses), rear view mirrors, polymer processing, injection moulding tools, elastomer



processing, modules and systems including cockpits and instrument panels, door trims, bumpers, lighting systems, air intake manifolds, pedal assemblies, HVAC systems, machined metal products, IT services, engineering and design, CAE services, cabins for off-highway vehicles, environment management systems, cutting tools and thin film coating metals. The Group has also invested in technologies that provide manufacturing support, including compressors, paint coating equipment, auxiliary equipment for injection moulding machines and automotive manufacturing engineering services.

SMG is proud to support its customers from the initial stages of product development including conceptualisation and design, through to prototyping and

"SMG is a global partner of a well balanced customer base spread across five continents, with more than 180 manufacturing plants and a global network of modern design centres."

tool manufacturing, and finally production and delivery. This ability of the Group to provide end-to-end solutions to its customers has helped it become a Tier One supplier and a preferred solutions provider. Further, SMG has expanded its presence and enhanced its leadership position in the market through a combination of steady organic growth and strategic acquisitions.

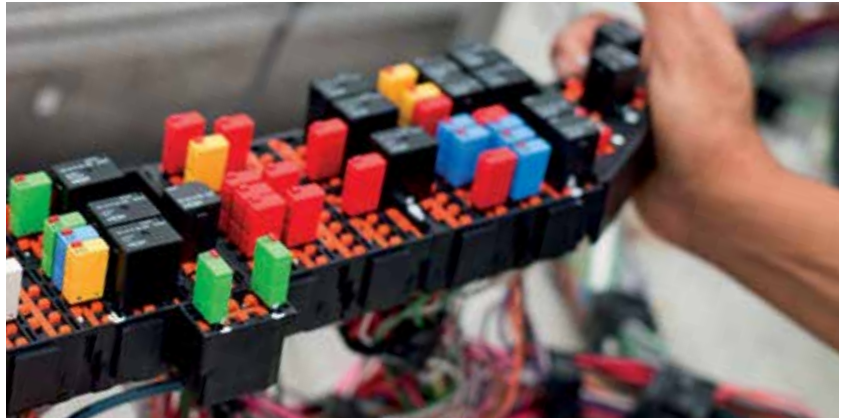
Samvardhana Motherson International Limited.



Samvardhana Motherson International Limited (SMIL) is the principal holding company of the Samvardhana Motherson Group (SMG). It holds 36.9% of the equity share capital of Motherson Sumi Systems Limited (MSSL), the flagship company of SMG.

SMIL is the nerve centre of the Group, providing support, strategy and management not only to MSSL, but also to all other companies under the SMG umbrella. It binds and manages the different ventures of the Group and provides direction to drive growth by creating value for all its stakeholders. SMIL's diversified product portfolio encompasses the entire range of SMG products, and its multiple businesses have deep manufacturing and design capabilities to cater to various customer requirements.

Strong vertical and horizontal integration has been the cornerstone of the evolution and growth of SMG, and SMIL has led the way by developing the ability to source from within the Group. This is an important factor for cost cutting, reliability, quality maintenance and timeliness and has been



instrumental in building synergies internally. SMIL also drives the shared services of the Group, such as the IT systems that form the backbone of information management, along with procurement and back office services.

Today, the Group has 25 joint venture partners who are leaders in their respective fields. These partners, along with subsidiaries, play a crucial role in strengthening SMIL's product and process competencies. These partnerships also enable MSSL to further enhance its capabilities of being a full system solutions provider across industry segments. In addition, the healthy growth of SMIL stems from a combination of organic growth and inorganic growth.

"SMIL is the nerve centre of the Group, providing support, strategy and management to MSSL and all other companies under the SMG umbrella."

Business portfolio.

01

Wiring harnesses



SMG makes wiring harnesses primarily for the automotive industry, catering to diverse vehicle segments. It is vertically integrated and also offers solutions for other industrial applications such as specialised medical equipment.

02

Rear view mirrors



SMG is counted among the world's major producers of rear view vision systems for the automotive industry, and supplies interior mirrors, exterior mirrors and camera-based detection systems to all the major OEMs.

03

Polymers and modules



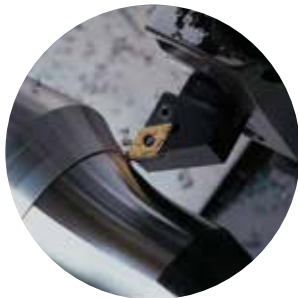
Polymers and modules is a vertically integrated business line of SMG that is a Tier One supplier of interior and exterior modules and polymer parts to carmakers around the world.

04

Elastomers



SMG supplies a wide range of elastomer based solutions and products to a spectrum of industries, including automotive, medical, home appliances, and for general industrial applications.

05**Metal working**

The Group offers precision metal-machined parts and products such as cutting tools, gear cutting tools, bimetal band saw blades, sintered metal parts and thin film coating services to customers around the world.

06**IT, engineering and design**

This division provides critical support to all other businesses by catering to their IT needs and supporting product development, validation, prototyping, CAE services, tool design, etc. It also serves customers from outside the Group.

07**Manufacturing support**

SMG facilitates our customers' manufacturing related needs by offering a range of miscellaneous products and services such as air compressors, paint coating equipment, auxiliary equipment for injection moulding machines, and automotive manufacturing engineering.

Proud to be part of the Samvardhana Motherson Group.

Sumitomo Wiring Systems Limited.



Sumitomo Wiring Systems, Ltd.

Sumitomo Wiring Systems Limited (SWS) is a 100% subsidiary of Sumitomo Electric Industries, Japan. Motherson's association with SWS goes back to 1983, when we first entered into a technical agreement together. Subsequently, Motherson Sumi Systems Limited (MSSL) was established as a joint venture in 1986 to manufacture wiring harnesses in India, and the relationship has only gone from strength to strength.

SWS has been a pillar of support for us, helping us as a collaborator, teacher and friend through the years.

With an intensive focus on R&D to innovate in the field of vehicle electronics, SWS has regularly introduced new components and technologies into the market. Its association with us ensures that our flagship company MSSL remains abreast with the latest technologies, along with building a high degree of vertical integration that has enabled us to strengthen our base quickly.

Our principal partner is a world leader in the manufacturing and

sale of wiring harnesses, harness components and other electric wires. It initially supported MSSL by providing the latest technologies for manufacturing wiring harnesses and wires, and then later extended its support to the entire Group by forging numerous joint venture entities to provide technical support for components, injection moulded parts, tooling, engineering and design, and software development.

SWS has also closely associated itself with MSSL in the area of technical support through resident technical advisors, training of engineers and production personnel, manufacturing methodologies, manufacturing techniques,



"SWS helps MSSL deliver lasting value to customers through technical support and collaboration."

quality circle activities, kaizen as well as collaborative design and development. With the invaluable support of SWS, MSSL always delivers lasting value to customers.

Motherson Sumi Systems Limited.



Motherson Sumi Systems Limited (MSSL) is the flagship company of the Samvardhana Motherson Group (SMG). Formed as a joint venture between Samvardhana Motherson International Limited (SMIL), India and Sumitomo Wiring Systems Ltd., Japan, the company has evolved into a full system solutions provider and caters to a diverse range of customers in the automotive and other industries across Asia, Europe, the Americas, Australia and Africa.

The company offers a wide range of products, and is among the leading manufacturers of automotive wiring harnesses, passenger car mirrors, and plastic components and modules such as cockpits, bumpers and interior trim. It also has a growing presence in a broad range of other polymer, elastomer and metal-based parts and systems.

MSSL has had successful collaborations with several global technology leaders over the years. Our continuing partnerships enable us to bring new and innovative technologies to developed and growing markets, and further enhance our competencies by



adopting global best practices. We have built state-of-the-art facilities and infrastructure and work constantly to improve our operational efficiency and productivity.

All of this is done with a single aim: complete satisfaction for all our customers. It is our customers that drive all our plans and actions, and the company works with their best interests in mind to deliver the best possible solutions. Whether it is foraying into a new product vertical, setting up a new plant or pursuing

"Each division within the company has laid out plans to meet its growth targets, the 40% ROCE goal, and its de-risking policy."

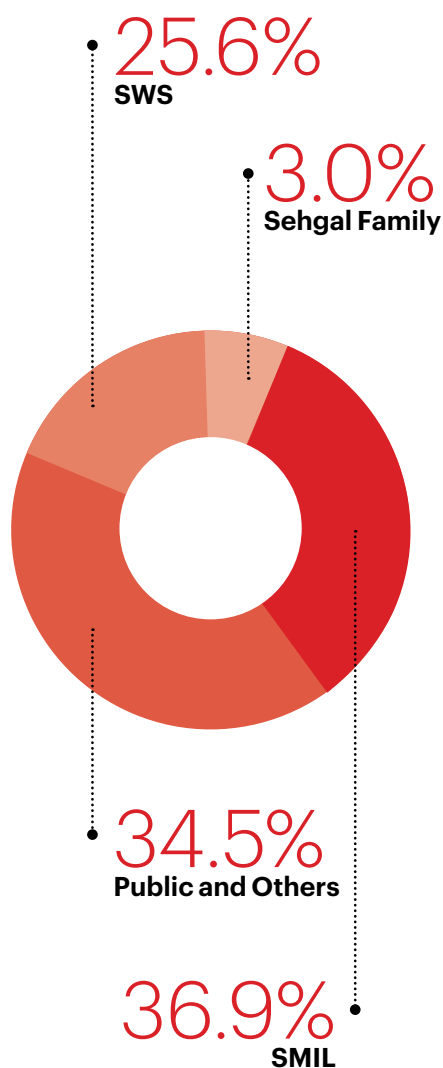
further quality enhancements, the company consistently works to ensure that the customers' needs are met because we believe that creating value for them is what drives our returns and profits, not the other way around.

MSSL is now focused on Vision 2020, the fifth five-year plan. We aim to expand and consolidate our operations in parallel. With this, we hope to continue supporting our customers in their growth and further strengthen our relationships of trust.

MSSL shareholder structure.

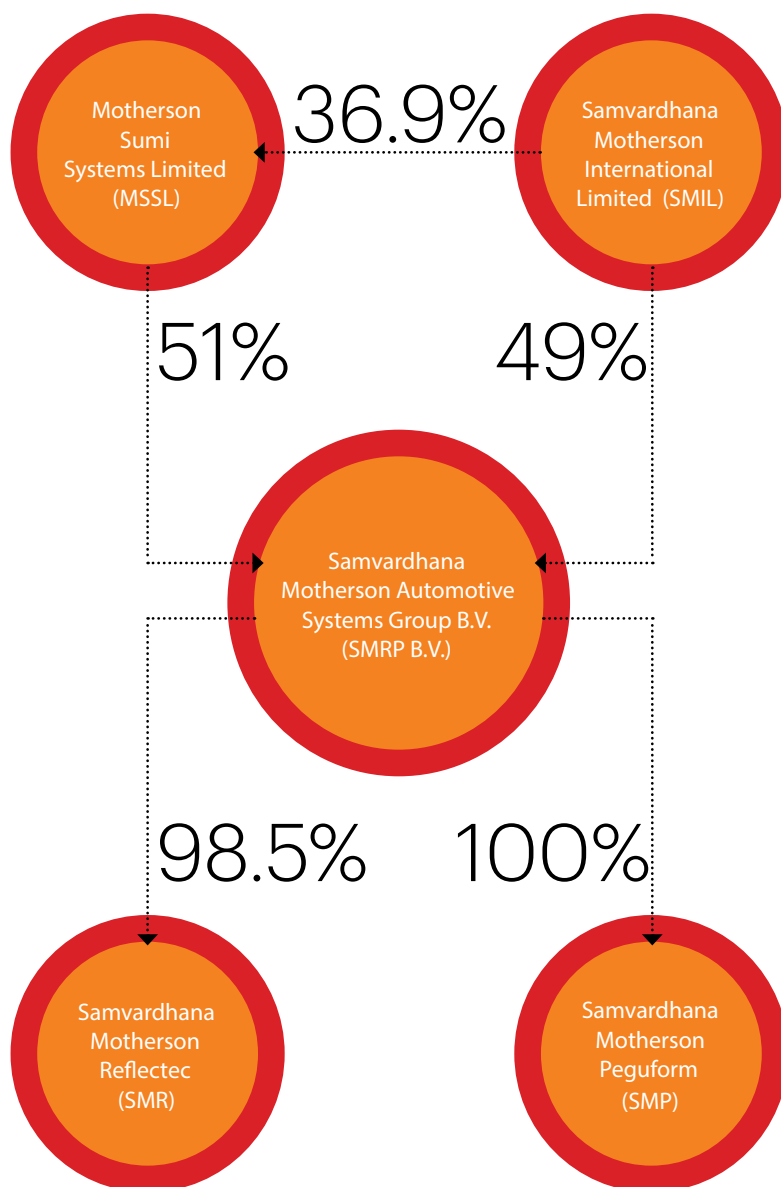
MSSL shareholding pattern

as on 31.03.2016



MSSL shareholding in major subsidiaries*

as on 31.03.2016



*not a legal structure

Our vision, mission and values.

Vision

To be a globally preferred solutions provider

Values

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

Mission

- Ensure customer delight
- Involve employees as "partners" in progress
- Enhance shareholder value
- Set new standards in good corporate citizenship

Our vision.

2022

The fifth 5-year plan

No.1

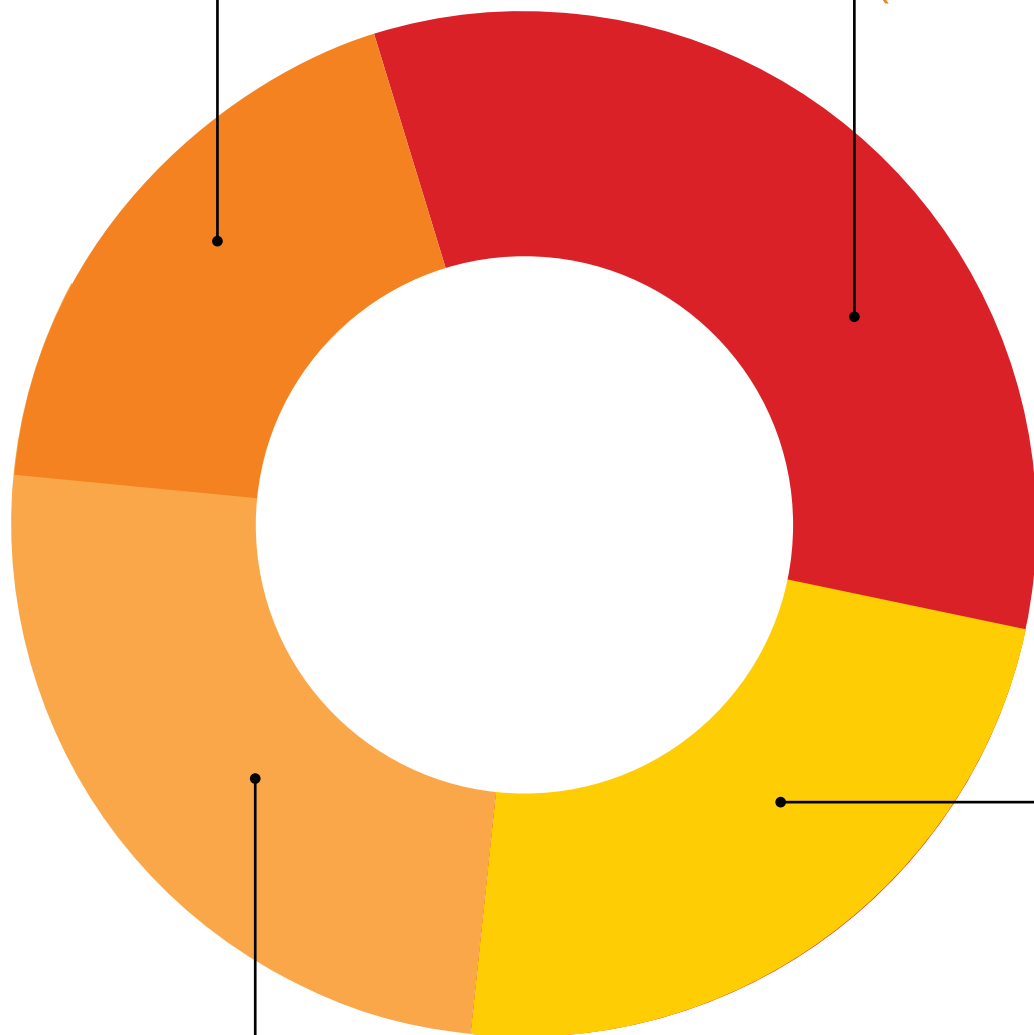
USD 18 BILLION

FY 19-20
(TURNOVER)

No.2

40%

ROCE
(CONSOLIDATED)



No.3

3CX15

3CX15 means no country,
customer or component
should contribute more than
15% to our revenues

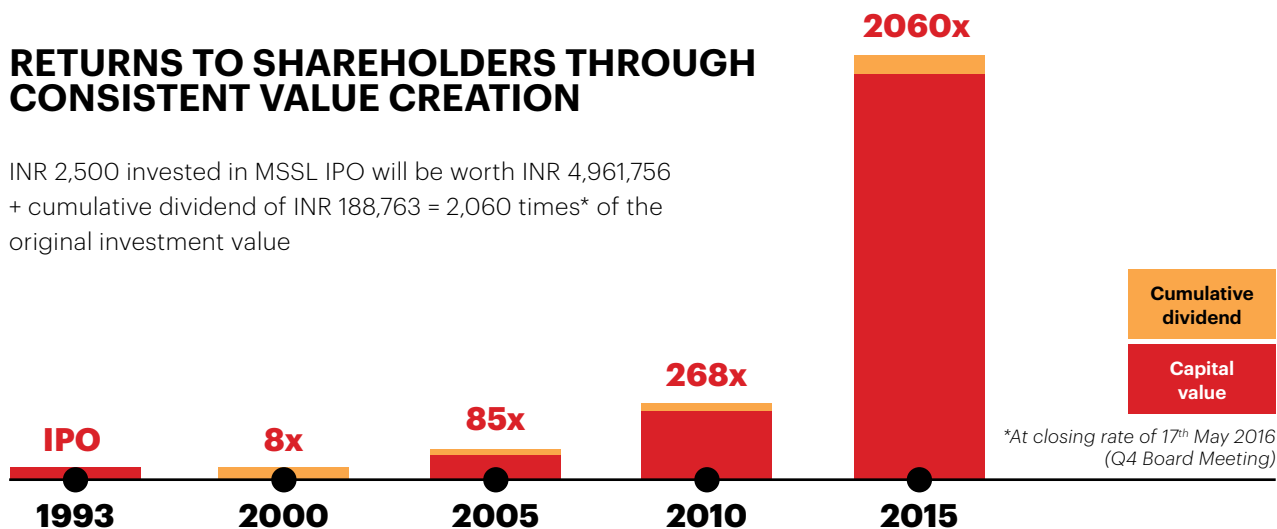
No.4

40% OF
CONSOLIDATED PROFIT
AS DIVIDEND

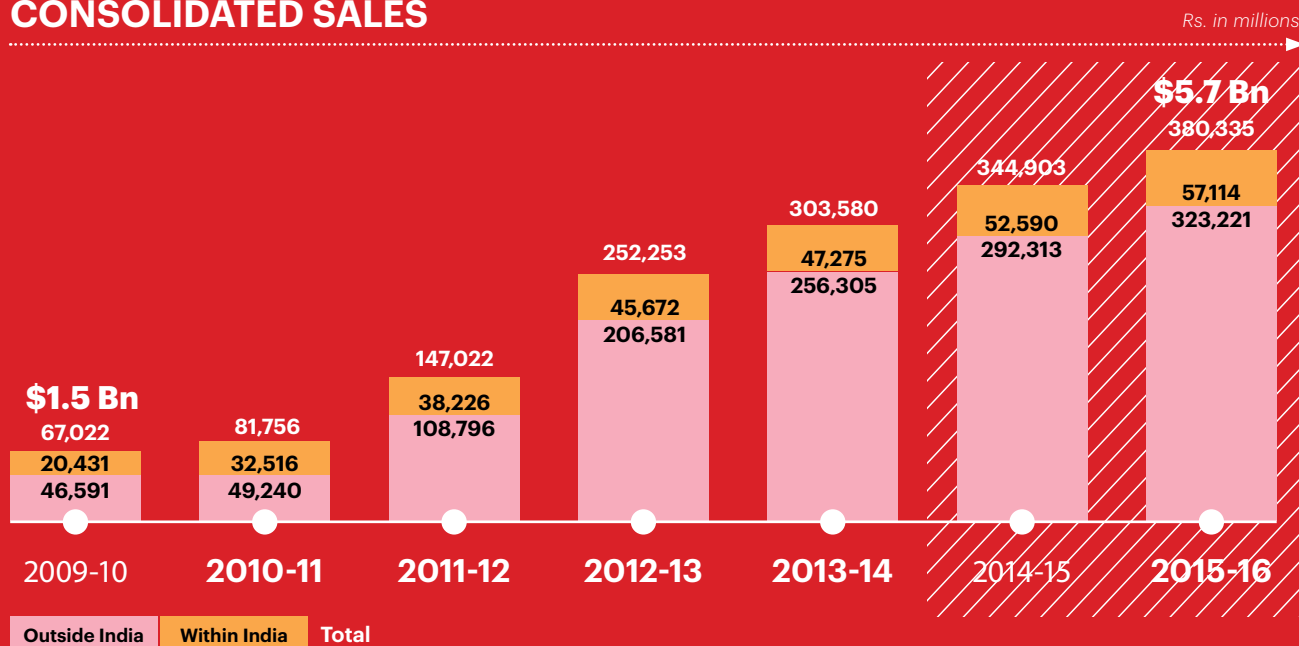
Financial highlights.

RETURNS TO SHAREHOLDERS THROUGH CONSISTENT VALUE CREATION

INR 2,500 invested in MSSL IPO will be worth INR 4,961,756 + cumulative dividend of INR 188,763 = 2,060 times* of the original investment value

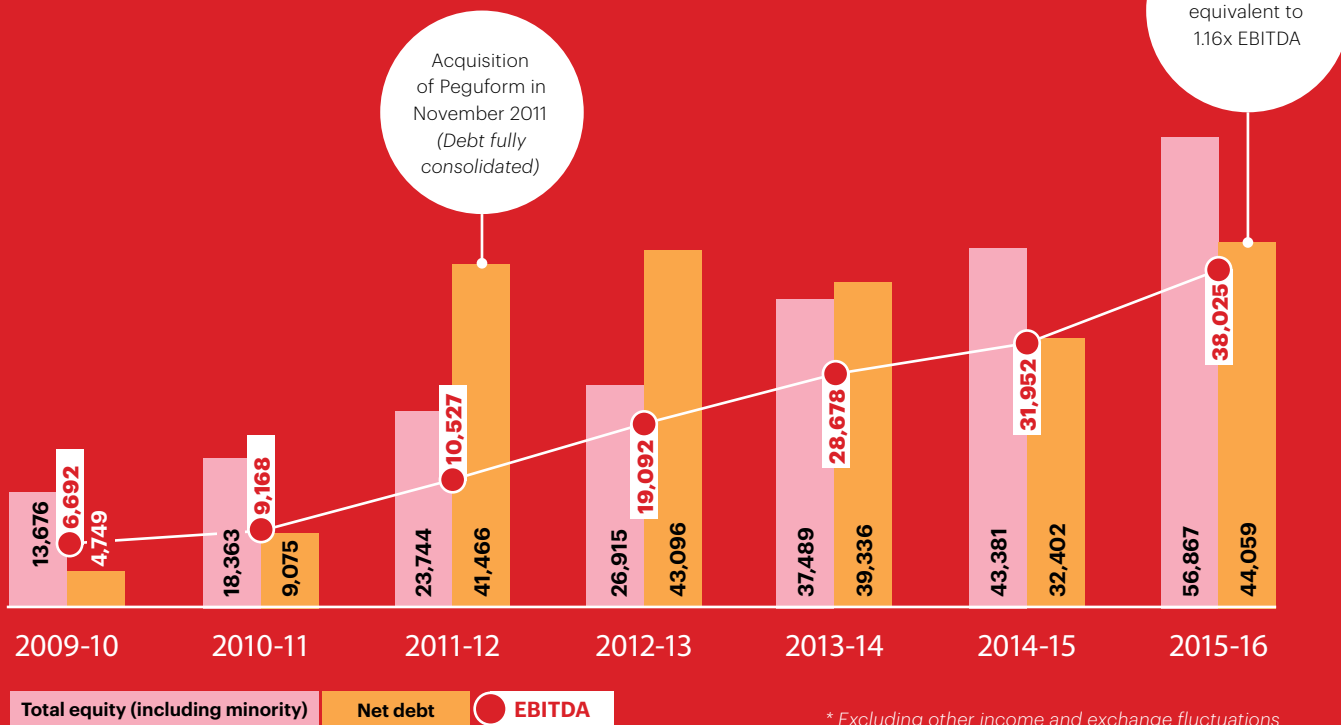


CONSOLIDATED SALES



TOTAL EQUITY, NET DEBT AND EBITDA*

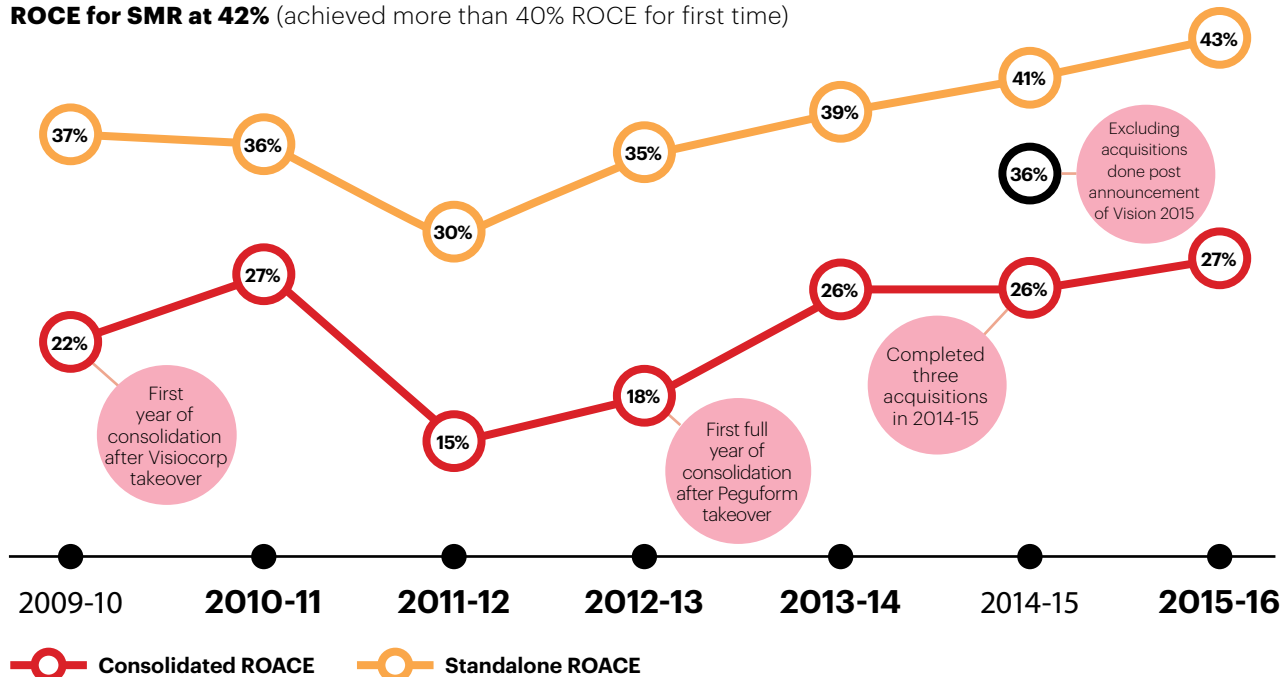
Rs. in millions



RETURN ON AVERAGE CAPITAL EMPLOYED (ROACE)

All time high ROCE for Standalone at **43%**

ROCE for SMR at 42% (achieved more than 40% ROCE for first time)



MSSL business overview.

We are a specialised full system solutions provider to automotive and other industries, offering services from design and prototyping to production and delivery of solutions across a wide range of products.

At MSSL, we believe that in order to drive profits and financial returns, we must create value for the customer. We are always true to the product and offer the best possible solutions at competitive costs. In addition, our passion for innovation and relentless focus on quality and continuous improvement makes us an attractive supplier.

MSSL has a strong and growing presence in wiring harnesses, rear view mirrors, polymers and modules, and other businesses.

Wiring harness division

MSSL's wiring harness business line supplies wiring harnesses and their components to the entire cross-section of the automotive industry, from passenger cars to commercial vehicles, two-wheelers, three-wheelers, off road vehicles, farm



and agricultural equipment, and material handling equipment. It is a leading supplier in the passenger car segment in India, and also caters to specialised requirements in other industries such as medical equipment.

Mirror division

Samvardhana Motherson Reflectec (SMR) is the mirror division of MSSL, and is one of the world's largest manufacturers of mirrors for passenger vehicles. It manufactures exterior and interior mirrors, mirrors with integrated lighting and turn signals, blind spot detection systems, telescopic trailer tow mirrors, as well as other rear view vision technologies including cameras and sensors that help make driving safer.



Polymers and modules

Polymers and modules together form the largest business line of the company. The division encompasses high-level polymer modules as well as process and tooling operations for interior, exterior and under-bonnet components for various vehicle segments. The division's product line includes a full range, from smaller components and assemblies to cockpits and instrument panel modules, door trim modules, centre consoles, full body panels and pillar trims,



bumper modules and fascia, front-end modules and carriers.

Motherson Innovations

This is the newest business line in the company, but it holds great promise and has the potential to take MSSL to greater heights. Motherson Innovations aims to combine the best competencies from across MSSL in the field of R&D to offer new and exciting technologies to customers that will help them make the transition to building cars of the future.

Other businesses

MSSL also provides a wide range of solutions for elastomer processing and metalworking, catering to a variety of industries,

including automotive, medical, home appliances and general industrial applications, as well as IT hardware.

Elastomer processing

The elastomers business has several sub-divisions, including rubber injection moulding, that supply a wide range of rubber components primarily to the automotive industry, including grommets, boots, bellows, gaskets, seals, water strike back valves, damper rings, nozzles, and rubber-to-plastic and rubber-to-metal products. It has strong capabilities in developing rubber compounds, with over 19,000 formulae for a wide range of applications, as well as a non-tyre related rubber mixing plant. It also produces bonded components and extruded rubber profiles.

Metal working

MSSL also offers total metal

machining solutions for various industries including scientific and engineering applications. It produces precision metal-machined components, specialising in metal turning and plastic-metal combined parts. It also makes cutting tools, bimetal band saw blades, gear cutting tools, thin film coating tools and sintered metal parts. The division's facilities are equipped with state-of-the-art CNC machines coupled with highly

customised special purpose machines for intricate machining requirements and other advanced equipment.

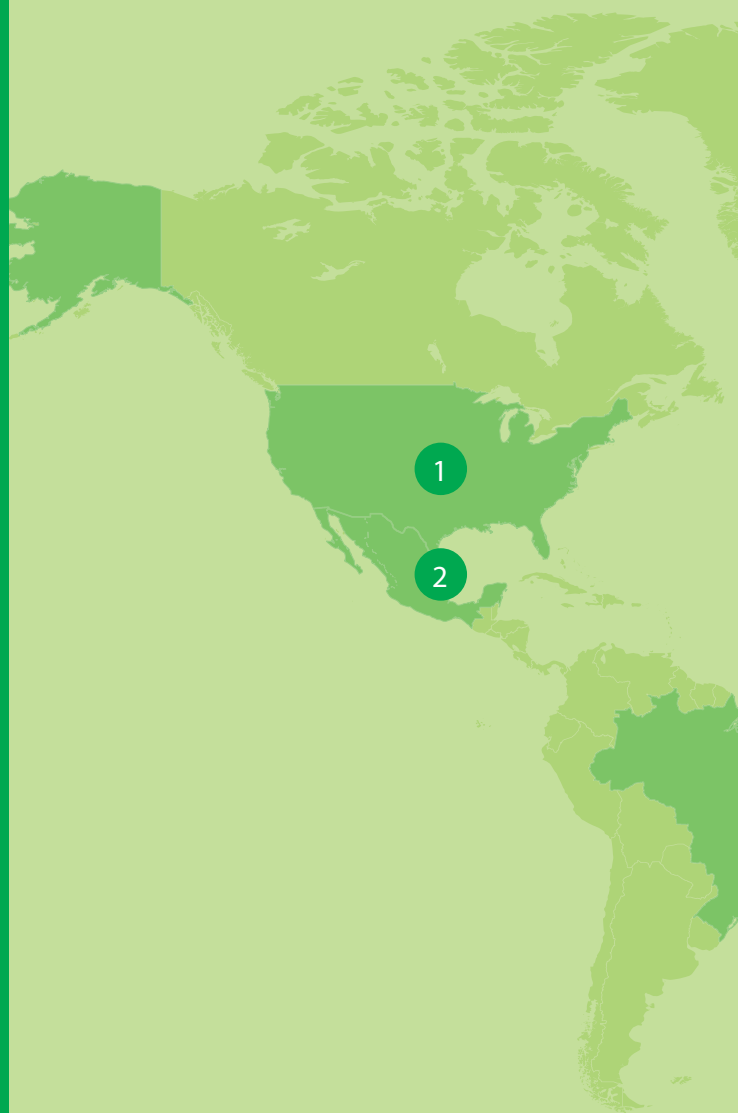


These businesses have facilities across India, Australia, Germany and Mexico, and supply to Asia, Europe and USA. The elastomers division operates through subsidiaries and other entities, with facilities across India and Australia.



Global locations.

We want to be where our customers are, and this helps us come closer to our vision of being a globally preferred solutions provider. Today, we have over 180 facilities in 25 countries, with our sales offices, R&D centres and manufacturing units spread across Europe, Asia, North America, South America, Australia and South Africa.



1 USA

Mirrors
Wiring harnesses

2 MEXICO

Mirrors
Integrated modules and plastic components
Wiring harnesses
Machined metal components

3 BRAZIL

Mirrors
Integrated modules and plastic components

4 UK

Wiring harnesses
Mirrors

5 NETHERLANDS

Representative office

6 GERMANY

Mirrors
Integrated modules and plastic components
Metal machining

7 CZECH REPUBLIC

Integrated modules and plastic components

8 IRELAND

Design and development centre

9 FRANCE

Mirrors

10 PORTUGAL

Integrated modules and plastic components

11 SPAIN

Mirrors
Integrated modules and plastic components

12 ITALY

Design and development centre

13 HUNGARY

Mirrors



14 SLOVAKIA
Integrated modules and plastic components

15 UAE
Wiring harnesses
Integrated modules and plastic components
Injection moulding tools

16 INDIA
Mirrors
Integrated modules and plastic components
Wiring harnesses
Machined metal components
Design and development centres

17 CHINA
Mirrors
Integrated modules and plastic components

18 SOUTH KOREA
Mirrors
Wiring harnesses

19 JAPAN
Mirrors
Wiring harnesses

20 SRI LANKA
Wires

21 THAILAND
Mirrors
Wiring harnesses

22 SINGAPORE
Representative offices

23 SOUTH AFRICA
Integrated modules and plastic components

24 MAURITIUS
Representative office

25 AUSTRALIA
Mirrors
Rubber extrusion
Waste recycling systems

New and upcoming facilities.

MSSL is developing several new facilities around the world and expanding some existing units to cater to customers' growing requirements.

This geographic expansion is also helping us ramp up our production capacity and build a strong foundation for future growth, bringing us closer to achieving our vision of becoming a globally preferred solutions provider.



1 MARYSVILLE, MICHIGAN, USA

COMPANY: **SMR**
TYPE: brownfield
PRODUCT: exterior rear view mirrors

2 TUSCALOOSA, ALABAMA, USA

COMPANY: **SMP**
TYPE: greenfield
PRODUCT: bumpers, door panels, other exterior parts

3 ZITLALTEPEC, MEXICO

COMPANY: **SMP**
TYPE: greenfield
PRODUCT: bumpers, rocker panels, wheel covers, roof spoilers

4 OLDENBURG, GERMANY

COMPANY: **SMP**
TYPE: new painting facility
PRODUCT: bumpers and rocker panels

5 BOETZINGEN, GERMANY

COMPANY: **SMP**
TYPE: brownfield
PRODUCT: door panels

6 SCHIERLING, GERMANY

COMPANY: **SMP**
TYPE: greenfield
PRODUCT: bumpers

7 POLINYA, SPAIN

COMPANY: **SMP**
TYPE: new painting facility
PRODUCT: bumpers

8 KECSKEMET, HUNGARY

COMPANY: **SMP**
TYPE: greenfield
PRODUCT: bumpers and door panels

9 BEIJING, CHINA

COMPANY: **SMP**
TYPE: expansion
PRODUCT: door panels



10 NINGBO, CHINA

COMPANY: **SMR**
 TYPE: expansion
 PRODUCT: exterior rear view mirrors

11 OCHANG, SOUTH KOREA

COMPANY: **SMR**
 TYPE: expansion
 PRODUCT: exterior rear view mirrors

12 NOIDA, INDIA

COMPANY: **SMR**
 TYPE: brownfield
 PRODUCT: exterior and interior rear view mirrors

13 NOIDA, INDIA

COMPANY: **MSSL WHD**
 TYPE: reconstruction of entire plant
 PRODUCT: wiring harness

14 WALAJABAD, CHENNAI, INDIA

COMPANY: **MSSL WHD**
 TYPE: greenfield
 PRODUCT: wiring harness

15 WALAJABAD, CHENNAI, INDIA

COMPANY: **MATE**
 TYPE: greenfield, also adding R&D centre
 PRODUCT: polymer products

16 SANAND, INDIA

COMPANY: **MATE**
 TYPE: greenfield
 PRODUCT: polymer products

17 SANAND, INDIA

COMPANY: **MSSL WHD**
 TYPE: greenfield
 PRODUCT: wiring harness

Letter from the Chairman.

Dear Shareholders,

The fiscal year 2015-16 is the first year of our new five-year plan. Before I discuss the results with you, I would like to take a brief moment to share some thoughts on where we stand today and where we are going.

In 1983 there was a technical agreement with Tokai Electric (which is now Sumitomo Wiring Systems Limited) for manufacturing wiring harnesses.

MSSL was established in 1986 as a joint venture with SWS.

First of all, we were determined to learn everything there was to

learn from our Japanese partners — from the way they designed the manufacturing processes with people in mind, to their relentless focus on quality for the customers and their ever-lasting desire to improve every single aspect of the company, every single day. We admired them enormously and that has not changed with time. And I believe that the position MSSL has reached today would not have been possible without the friendship, trust and support of our partners.

Secondly, we wanted to build a company that would create long-term value for all our stakeholders: the customers, the shareholders, the employees and the communities that host our plants and offices. The value that we hoped to create was more than profits alone. Today, such ideas are more important than ever. We are seeing, for example, that younger generations around the world



View from the top
Laksh Vaaman Sehgal (l) and
Vivek Chaand Sehgal (r) discuss
MSSL strategy



Chapter 08 ● Letter from the Chairman

increasingly want to be part of something larger than themselves. They look for employers with a vision and a mission to provide such an environment.

Similarly, as a company, we ourselves want to be part of the larger success of our customers, our shareholders, the lives of our employees, and the communities we work in. We believe such ideals are necessary in order to keep achieving outstanding results.

divisions. Pankaj Mital will brief you on the FY 2015-16 highlights in the wiring harness division. Bimal Dhar will update you about the great achievements in the polymers and modules division this year. Char Zawadzinski will give you an inside view into how the foundations of our mirror division have been strengthened. And Laksh Vaaman Sehgal will share his vision and approach for our new division, as he talks about Motherson Innovations.

Capital Employed (ROCE) improved to 27%. MSSL's standalone ROCE stands at an all time high of 43%. I would like to draw special attention to the amazing results at Samvardhana Motherson Reflectec (SMR), where a ROCE of 42% was achieved this year, crossing the 40% benchmark for the first time ever. The dividend payout for the interim dividend already paid by the company for FY 2015-16 constitutes 30% of consolidated profits after tax. This amounts to a dividend of INR 2.50 per share on expanded capital after bonus issue.

We have declared new orders worth approximately EUR 8.8 billion for SMRPBV during FY 2015-16. We are very grateful for these

"Given our increasing global footprint, we believe MSSL is well positioned to support its customers to absorb positive trends in the automotive industry in both developed and developing markets."

When the road towards those results is meaningful by itself, that helps you reach the summit.

That is why we have chosen "Proud to be part of a bigger story" as the theme for this year's annual report. As the cover quote by Vincent van Gogh reminds us, great results are often achieved by many small things coming together. It is in this spirit that we want to give you a more detailed insight into some of the main parts of MSSL this year.

We are featuring interviews with the leaders of our four main

What you would take away from these interviews and from the overall results in this annual report is, I hope, a clear view of the strength of MSSL. We have consolidated our foundations, expanded our core and are in outstanding health to achieve our Vision 2020.

FY 2015-16 has been very exciting for MSSL. Consolidated sales ended at INR 38,033 crore (USD 5.7 billion), an increase of 10% compared to last year. Operating EBITDA grew 19% and our PAT went up to 48%. Consolidated Return on

new orders, as they reflect the continued trust of our customers. In view of the strong traction from customers in all our business segments, we are building new facilities to support their growing requirements. At this moment, 17 plants are in various stages of being established for this purpose.

Additionally, the global automotive industry is showing healthy growth.

**Vision
2020.**



**Part of
a bigger
story.**

Global vehicle sales are expected to be 2.7% higher for 2016 than last year, according to IHS Automotive. For the US, a strengthening economy is expected to lead the US market to reach around 18 million units sold per year, over the next two years. For Western Europe, a 2.5% to 3% uplift in sales looks likely for 2016. For India, growth is expected due to lowering of interest rates, and for China, sales of light vehicles are set to grow by 5% to 6% in 2016¹. Given our increasing global footprint, we believe MSSL is well positioned to support its customers to absorb positive trends in the automotive industry in both developed and developing markets.

As we look towards 2020, I would like to take the opportunity to thank our customers for their sustained trust in our ability to support them; to our collaborators for standing by us and supporting us with technology, input and their energy to help deliver on our commitments to our customers; to our employees, who have worked tirelessly to achieve another year of fantastic results. And last but not the least to you, our shareholders, for your continued faith in our judgment and trust in our decision making. We would also like to thank all the local, state and national governments, the concerned bodies and the banks and financial institutions in all the countries in which we are present,

for their unwavering support. On behalf of the entire MSSL team across the world, I thank you for accompanying us on the journey ahead.

Sincerely yours,



Vivek Chaand Sehgal
Chairman
Motherson Sumi Systems Limited

¹IHS Global Outlook for Automotive Sales: Continued Momentum in North America, Europe Could Put Industry Within Reach of 90 Million units in 2016. Friday, January 8, 2016

Our business heads.

This year we had in-depth conversations with the heads of our major business lines on how their respective divisions performed during the financial year 2015–16. They share their views on the highlights of last year, and give us an insight into why they are confident about MSSL's growth in the future.

Wiring harnesses

Pankaj Mital



Pankaj Mital explains why the future looks bright for the wiring harness division, and why he is confident of its growth trajectory. "This is where it all began for us."

Polymers and modules

Bimal Dhar



Bimal Dhar tells us why he is happy with the polymers division results and how he is improving the 'Return on Intellect' to make the future even better.

Mirrors

Char Zawadzinski



Char Zawadzinski explains how SMR is in top shape and why 2015-16 has been an exceptional year.

Motherson Innovations

Laksh Vaaman Sehgal



Laksh Vaaman Sehgal shares his vision for Motherson Innovations as a provider of exciting new technology solutions for the car of the future.

Pankaj Mital

Division: **Global wiring harness business**

Pankaj Mital explains why the future looks bright for the wiring harness division, and why he is confident of its growth trajectory. "This is where it all began for us."

From a single-product company in India in 1983, today MSSL is a global, diversified company of over USD 5 billion in revenues. "We are on an amazing journey. But in essence, we really work tirelessly to forge trust relationships with our clients, based on performance." MSSL follows its clients globally, wherever they need the company's support. "We are all relentless travellers," he explains. "There

is no substitute for face-to-face meetings with our customers."

From his office in the new corporate tower, Pankaj Mital speaks to us about the wiring harness division. "We are pleased with the year's progress in our wiring harness division." Pankaj is optimistic about the future.

It was a very good year

For the wiring harness division, this

year has been great. The financial results are strong. But perhaps even more importantly, customers are satisfied. "We are supplying to new launches of our customers and also continue to receive 'Best Supplier' awards, which always makes us very, very happy."

In addition, one of MSSL's wiring harness manufacturing teams became the World Champions in harness making. "This was at the

Global Skill Olympics organised by Sumitomo Wiring Systems (SWS), which are held in Japan. All the world's harness manufacturing companies of SWS send their teams to this event. We competed, won the team gold and became the worldwide champions, a first for any Indian team. We were thrilled!"

"Another major achievement has been that we have continued to be a learning organisation." This is demonstrated by the achievement of the number one position in the PK audits conducted by our collaborator Sumitomo Wiring Systems for both the wire harness as well as wire plants. "We are grateful to Sumitomo San for continuously teaching us through these audits," says Pankaj.

"For us this recognises that

our plants produce good quality products and have stable processes managed by a team which is challenging to be the very best," he says proudly.

Vision 2020

"This is the first year of the new five-year plan," explains Pankaj. "Our foundations are already quite strong, our QCDDMSES checks show that. We are building new components and new wires."

"Overall, we're moving in the right direction. We are very strong in our business and on track regarding our Vision 2020," says Pankaj. This optimism stems from the fact that the processes have been further improved. "We have established robust processes that are capable of delivering good performance, both on the engineering side and on the manufacturing side. We are in different stages of setting up three new plants to help us ramp up our production and meet our customers' needs in various geographies."



**"We are
designing and
producing increasingly
complex circuitry to run
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introduce into their
vehicles."**



Technology driving growth

"The wiring harness is the nervous system of the car," Pankaj explains. "And it is the foundation on which this company was built." As vehicles become more complex and rely more on electronics, this nervous system needs to evolve with it. So the car has to have more circuits than ever before to connect all the additional electronics and other features. "It basically calls for an increasingly complex wiring system, and that is one of the things we love to do at MSSL. We love to build wiring harnesses, and we want to make sure that every harness we build is exactly what the customer wants."

This natural progression in the product drives part of the organic growth of the wiring harness division. "We are designing and producing increasingly complex circuitry to run all the additional features that our customers introduce into their vehicles." For the wiring harness division, this means that both content and value per car increase.

Trends in India

The trend of the increasing electronic component of cars is gradually making its way to India too. As Pankaj explains, "In India it is also growing. Features are being added even into compact cars, and there is a huge change in all categories due to rising affluence."

As a result, MSSL is further localising its production and works on further miniaturisation, building wiring harnesses with more compacted elements. Both the smallest and the



"Features are being added even into compact cars, and there is a huge change in all categories due to rising affluence."

most complicated parts, like junction boxes, are being developed and made in India now. "In addition to that, we have a very robust supply chain with high efficiencies and low wastages, and we are present where the customers are. That makes us among the best-placed suppliers in the country to deliver this higher level of technology to help carmakers upgrade their vehicles."

Apart from having the advantage of working on high-end features in international markets, MSSL also has trusted partners who are market leaders. "As far as the passenger car segment is concerned, our collaborator Sumitomo is among the leading wiring harness makers in the world." Sumitomo supplies to all the world's major carmakers, catering to their needs for different kinds of technologies, whether hybrid cars or high-end electronics. "They are the leaders in many areas and develop all the relevant technologies. So as soon as these features get spec-ed into vehicles in India, we have the

technologies already available," says Pankaj.

According to media reports, by 2030, India wants nearly all cars on its roads to be electric. Even for such a development, the wiring harness division is well positioned. "Our Japanese technology partners already have the knowhow for this, and so we are well placed to support our customers in this area too." Before that happens, Pankaj believes hybrid cars fit the Indian market well and will be the mainstay before fully electric engines take over. "We have the technology to support our customers through this transition as well, and look forward to this new and exciting phase."

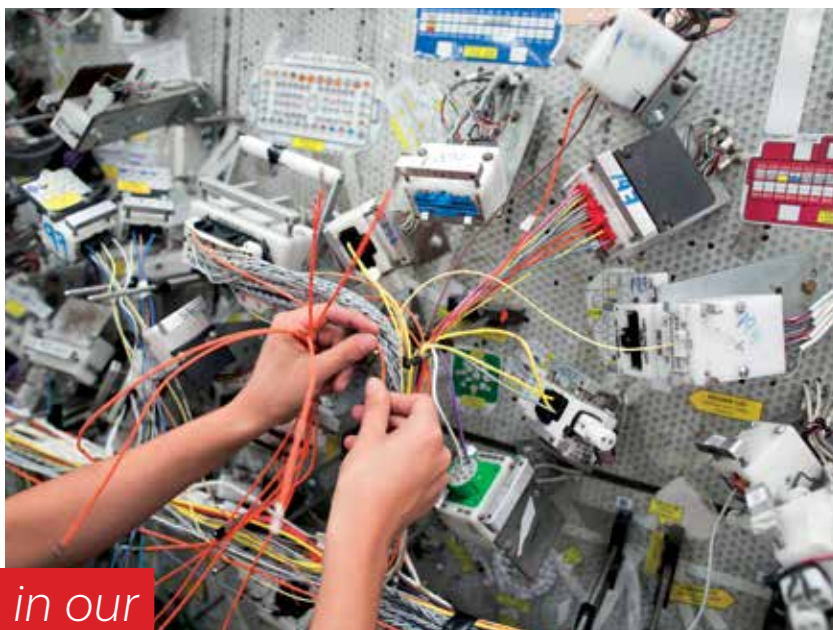
Growing the Motherson DNA

The wiring harness division is showing strong growth. To manage this significant trend, one particularly important focal area for MSSL is to maintain the right processes and values across all operations. This would ensure that the foundations of

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success remain intact. “We believe it is very important to implant the Motherson spirit and culture into all the new facilities that we set up or acquire.” Pankaj says, “This helps the new plant or company integrate and become part of the Motherson family, not just physically — by setting up the plants using similar layouts and processes, but also in the softer aspects.”

As Pankaj explains, “Whenever we set up a new plant, there are teams which support its development, comprising specialists in different



“We are very strong in our business and on track regarding our Vision 2020.”

areas. The team leaders and the plant heads are appointed much ahead of time.” MSSL selects these people for their experience and leadership capacity. “They typically spend a few years at the new location so that the culture and the right attitudes are developed. We also bring in new associates by hiring them ahead of time, and bring them and other key people to our existing plants for a few months so that they can get trained.” For example, when MSSL set up its Thailand and Mexico plants, the key people were trained in India and Dubai, to become teachers for the new associates at their locations.

Another significant aspect of the approach is the standardisation of all our plants and processes. “Unless there is a specific customer

requirement, our plants have similar generic layouts and all our processes around the world are the same and are managed centrally, except for minor localised adaptations to help the employees understand them better.” This standardisation, which entails significant IT intervention, helps the company control the quality of its products and ensure the best possible solutions for customers. “This helps us de-risk our operations and enhance quality.”

A similar process is followed when MSSL acquires a new company. It focuses on co-learning and mutual learning for continuous improvement. The first thing it does is to create a foundation by aligning processes and propagating the Motherson culture to the new units. That makes the company ready for

the leap forward. The turnaround of MSSL Wiring System INC. (MWSI) is an example. “Although revenues have come down, we have made the company profitable, which is a big step forward. We have also merged three plants into two at one of the locations.” The operation has been a success, as customers are very happy. “Shortly after the acquisition, customer scorecards have shown tremendous improvement. They are happy because they see the Motherson DNA flowing in, they see the same people responding in a very different manner. They see that the plants are responding in a different way and are on an improvement path. So we are all very excited, because we are creating a better future,” Pankaj explains passionately.

Growing together

Finally, Pankaj Mital looks at one of the key strengths of MSSL — collaboration among divisions. “Our wiring harness division is able to

constantly innovate in its products and processes because not only are we vertically aligned, we also collaborate with other divisions. As and when the need arises, we seek expertise and assistance from our sister divisions." This helps build synergies between the different businesses of MSSL and makes us all more efficient by reducing cost and cutting wastages. And it builds bonds and connections between people.

"At MSSL, we want to support our customers in as many ways as possible," says Pankaj as the seasoned business developer in him speaks. "Of course, we are happy to help out and guide our customers to our sister businesses. But only if we think it adds value for the customer."

There are some commonalities among all divisions, in terms of processes and standards, and that makes MSSL an attractive supplier for our customers. Manufacturing standards and professional ethics are common across divisions. "We all want to do our best to support our customers and are proud to be part of their work. Our customers see

us as a holistic solutions provider who understands the automotive industry and their needs for the future," says Pankaj as he looks at a newly won award standing in his office. "We believe such things are a direct outcome of our ability to work together to build solutions with the best interests of the customer in mind. And that is what has built the Motherson name."

For every employee at MSSL, this is an advantage as well as a great responsibility. "Customers expect the same from each division and each individual," Pankaj says as he looks out across the office floor. "We have a big responsibility, because it becomes very important to maintain our quality standards. As customers are attracted to us because they know that they can rely on Motherson, we work doubly hard to ensure that we never let the Motherson name down and keep delivering satisfaction to our customers." This drive for quality has kept the wiring harness division on the right track and has won it many accolades since 1983. And Pankaj Mital intends to keep it that way for the coming decades as well.



"We are among the best-placed suppliers in the country to deliver a higher level of technology to help carmakers upgrade their vehicles."



Bimal Dhar

Division: **Polymers and modules**

Bimal Dhar tells us why he is happy with the Polymers Division results and how he is improving the 'Return on Intellect' to make the future even better.

Sitting behind his desk in Noida, Bimal Dhar radiates a certain nobility. He is a slender, polite and elegantly dressed figure. With bright eyes, an energetic voice and a beaming

smile, he makes anyone feel comfortable immediately. As soon as he begins to speak, it is clear that he blends a razor sharp mind with vast experience and business

"My drive has always been to see how to transform the polymer division into a star organisation."

acumen and — interestingly — personal wisdom. Bimal is Indian by birth, Australian by passport and passionate by nature.

“You know,” he says, taking off his spectacles, “I really love what I do.” He has been with the company for decades. “I know one thing — I’m very happy doing what I’m doing. I also know another thing — the people who work with me, they’re very happy doing what they’re doing. And that’s where... I think human skills, the soft skills are very important.”

We made good progress

The 2015-16 results for the MSSSL polymer division are good. “There are two pillars,” Bimal explains. “Samvardhana Motherson Peguform (SMP) by itself is a pillar, it’s a huge organisation, and then the rest of the polymer division. The rest of the

polymer division previously used to be a laggard, but now things have turned around. They performed well this year and have surpassed their targets, especially on the profitability front, which is very good, I think.” He is upbeat about the 2020 targets. “I think we have substantially made the investments that are necessary to meet our 2020 organic growth targets.”

There were two recent acquisitions in the polymer division: assets of Scherer & Trier group (in administration), now rechristened as Samvardhana Motherson Innovative Autosystems (SMIA), and purchase of assets of the Esslingen (Germany) plant of Minda Schenk Plastic Solutions GmbH (in administration), now known as Samvardhana Motherson Plastic Solutions. In both cases, the acquisitions were made at the behest of customers.

“Both of these companies have been integrated into our operations and both of them are doing very well.” What about further inorganic growth? “There are many opportunities,” Bimal says. “But the point is that we are very clear that we only want to pick up the right business. Our philosophy has been that we follow the customer.”

The organic growth has been solid as well. “SMP has been a great story,” Bimal explains. “Last year was a very important one for SMP. We had the start-up of a Greenfield in Schierling, for Daimler and Porsche. Generally, in the automotive industry, when you start up a Greenfield plant, there is new equipment, new product lines, new processes, and new people. You experience growing pains. But it went very well, there was no noise. Customers were happy, things were happening.” Other expansions

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happened through a Brownfield extension of the Boetzingen plant in Germany for Daimler and a Greenfield expansion in China for the Mercedes E-Class. “I think my dream was that when we set up a facility in China, it must be a replication of German best-in-class, and we did it.” SMP also set up a new plant in Mexico. “It’s a huge plant! It is one of the largest bumper painting plants in the world. We had close to a hundred Mexican colleagues at one of our best plants in Germany for almost a year to train them in the processes and the customer’s quality expectations.”

Opportunities for expansion

The polymer division is much diversified. It covers the exteriors of an automobile, the interiors and the under-bonnet part. The division, in addition to the SMP product range, produces specific modules such as HVAC modules. Besides these, the polymer division also has multiple plants for injection moulding tools.

When MSSL acquired Peguform, the company’s customer portfolio was German-centric. Bimal therefore sees enormous room for expansion, for example in the Japanese and American segments. “We have diversified the customer portfolio, even within the German car companies,” he says. “Am I satisfied? Yes. Am I relaxing? Not yet, because we’ve got a lot of work to do, there’s a lot of opportunity for us.”

What keeps him really excited about the polymer division is customer satisfaction. “There’s no better reward than customer recognition.



We can keep on, you know, beating the drum saying we did a great job, but ultimately it’s the customer who decides whether we did a great job or not.” Indeed, Daimler and VW awarded SMP as their best and most preferred supplier. Motherson Automotive Technologies and Engineering (MATE) received awards from Suzuki, Renault and Honda. “At one point in time we used to be an also-ran,” Bimal reflects, “but now, the customers are seeing MATE as a company that they rely on, and so we have gradually become a preferred source. I think that is really great.”

An inspiring transformation

Bimal thinks of his role in this as being a catalyst for change. “My drive has always been to see how to transform the polymer division into a star organisation.” MATE started as a joint venture, but the joint venture partner withdrew in 1999, and the company was left to itself without an engineering base. During the last 18 months, MATE has applied for five engineering patents — a clear indication of the magnitude of the change that has taken place.

“We have made the investments that are necessary to meet our 2020 organic growth targets.”







"When I meet with a unit, my first question is, 'How many brains are working here?'"

"MATE has become a customer-preferred supplier. Take Renault, for example," Bimal says. "When they decided to introduce the Kwid, they asked MATE to design and develop the complete instrument panel, the console and the bumpers. And we did it so well that Renault gave us the Best Engineering Development award."

Next, the customer wanted to introduce the Kwid in left-hand-drive markets, starting with Brazil. Renault came back to MATE for this. This resulted in a contract for engineering the complete instrument panel for the left-hand-drive version, the complete tooling and the secondary equipment, all to be exported from India. MATE designed everything in-house: the machines, the equipment and the software. "It was fantastic. Our team installed the entire package in Brazil. For the first time, MATE got the contract for supplying air registers to Renault, globally. Similarly, we are supporting Ford and Maruti in a completely new way." Bimal is obviously very happy with this. And MATE is no longer just India-focussed, it has growing bases in Sharjah (UAE), South Africa and the Czech Republic.

Again the theme of transformation comes up. "This required the wherewithal within the organisation to be redirected and refocused. Efforts were made primarily towards unceasingly acquiring knowledge and becoming a result driven organisation. This process is being constantly addressed and persevered with. It is a huge transformation!"

Where we are headed

We move on to the larger theme of innovation. Many experts believe that the global automotive industry is at the cusp of a disruption by new technologies and possible entrants like Google and Apple from outside of the industry. Bimal has a nuanced view. "Things are changing so rapidly," he says, "and we want to stay ahead of the curve. That is why we're investing in advanced engineering, advanced technology, and for this Vaaman has started Motherson Innovations, for example."

With SMP, a lot of work is happening as well. "Volkswagen last year identified SMP as one of the companies to be part of their





“There’s no better reward than customer recognition.”

FAST Program. These are companies that will provide the VW Group with innovative solutions and knowhow for new technologies.” This

offers SMP, and its sister companies, a window for bringing new solutions to the highest and the lowest levels of the customer organisation. “Currently, many carmakers are focused on innovations for weight reduction, due to regulations, and we are working on that too. But the ideas will go far beyond that.”

Given Bimal’s focus on transformation, he has clear views on what this means. “You have to look at product innovation as well as process innovation. And you have to be good at both,” he says. “As a company, we have to move towards Industry 4.0.” He smiles, anticipating your curiosity. Bimal explains that the evolution of industrialisation started in 1784 with

mechanical production equipment driven by water and steam. That was Industry 1.0. A hundred years later, around 1870, came Industry 2.0, with mass production driven by people and electrical energy. Around 1969, Industry 3.0 began, based on electronics, information technology and automation. Today we are moving to Industry 4.0, based on cyber and physical systems, the Internet of Things and connectivity.

Here Bimal sees a big opportunity to employ people, respect their intellect and help them transition to being smart human beings, using smart systems. “I really believe in respecting the human being. And the only way you can respect others is by empowering them to effectively use their intellect,” he pauses. “And my focus always is, when I sit with my team, I see how they could be using their intellect most efficiently. When I meet with a unit, my first question is, ‘how many brains are working here?’” He pauses to wait for the double meaning to sink in. “The only way to innovate and change is by using your intellect. It is what keeps us ahead of our competition. It allows us to deliver

to the extremely high standards that car companies expect, given the fact that cars must perform at -40°C and $+100^{\circ}\text{C}$ also,” says Bimal laughing.

“True innovation is about achieving ‘Return on Intellect.’ But to facilitate



an entire organisation to use their intellect, our leadership focus must be much broader than just new technology. We have to look at the entire spectrum.” Excited and passionate, Bimal could talk on for hours. But a customer meeting is waiting.

Char Zawadzinski

Division: **Mirrors**

Char Zawadzinski explains how SMR is in top shape and why 2015-16 has been an exceptional year.

Like many in the top management at Motherson, Char Zawadzinski has been with the company for long. He joined Schefenacker in 2003 and was there when customers asked Motherson to take it over from near bankruptcy, to become what is known today as Samvardhana

Motherson Reflectec (SMR). With short hair, a sturdy posture and a proud moustache, he could pass for a Polish maharaja—fully at home in the international culture with Indian roots that Motherson is today. His long association with the company puts him in a strong position to

“I think the biggest achievement for our division in 2015-16 is that we have achieved 42% ROCE.”

reflect on the impressive upward path that SMR is currently on since 2009, under his command.

Reflecting on a good year

When we talk to him at one of his frequent plant visits at SMR Hungary, he wears the white company poloshirt, rather than a posh suit. "This place is very close to my heart," he says with affection. "Hungary was the ugly duckling. People were down and out when Motherson took over in 2009. But with the right people, the right focus and help from other SMR units, it has turned itself into the swan of the organisation," he says. "It seems unbelievable but it is a real story."

The story is emblematic of Motherson and the strength of SMR's foundations. In fact, 2015-16 has turned out to be a strong year for SMR as a whole. "I think the biggest achievement for our

division in 2015-16 is that we have achieved 42% ROCE," says Char with clear satisfaction. It is a remarkable achievement by any standard, but especially considering where SMR came from. Prior to the acquisition by Motherson in 2009, the company was losing money. "Back then, our EBITs were very low and nobody even bothered calculating ROCE — that is how bad it was." But the ship was turned around in an impressive fashion. "I want to be as humble as I can be, but this is a pretty good result!" Char beams. The ROCE target was even delivered one year earlier than the company expected in its budget by the 9,000 people strong SMR workforce.

Sustainable improvements

Clearly, such an effort has been planned. "Of course, things like this do not happen by accident. We developed a project code named 'pROCEed', to improve

our operational performance and increase generation of Free Cash." Within that plan, SMR decided to reduce working capital by improving on accounts payable and accounts receivable, and significantly reduced inventories and increased selectivity when making capital investments.

The inventory reduction project was especially important and difficult, Char reflects. "I call inventory the 'King indicator'. It is a pennant of all indicators," he says in a demonstration of another Motherson characteristic, namely a knack for branding important internal management concepts. "You can reduce inventory sustainably only when your processes within the supply chain are refined and working well. So first, you need to improve all processes — be it manufacturing, procurement, supply chain, etc. Only then can you start to think about the logistics of inventory." SMR aims for



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sustainable improvements, not for quick fixes that look good but lack substance.

So Char asked the team to create a project that would provide logistics team members with data showing them the key performance differentiators. "Imagine," he says, "we have over 7,000 suppliers. That means, you need to be able to identify and manage the most critical ones in the whole supply chain especially well. So we launched a project in which we developed web-based applications that mine our ERP systems." The system was developed together with sister company MIND, the Motherson IT division. The system worked so well that inventory at hand was reduced by double-digit percentages. "I am especially excited about this, because it has been done in a sustainable way. And we are further improving on it."

Expansion plans

At the same time, SMR has improved its revenues, which have jumped by 15% approx. compared to last year.

This is in part due to the fact that SMG has made huge investments in SMR over the past seven years to make it one of the most modern, efficient and globalised industry players in the sector. Another remarkable achievement in the fiscal year was that SMR won sizeable future new business in 2015-16. These are customer projects for new replacements and concurred business. This is the largest ever number of programmes that SMR has won in a single year in its history. "So 2015-16 is special for us in that respect as well."

Asked about the new facilities that SMR has opened to support its growth, Char mentions a new facility in Chongqing, China, dedicated to Ford, Volvo and PSA programmes. It is a joint facility of SMR and its

Chinese joint venture partner NBHX, and one he is very proud of. Often, launching a new plant in a new geography is a dramatic event. There are new programmes, new processes, new



people. It is an intense process that demands the best of everyone.

"Launching a new facility is never easy, but this new plant has been launched totally under the radar. It was a great launch by our Chinese colleagues, supported by a multinational task force from SMR's European expert teams. I think the smoothness of this project is a significant achievement."

Since 2009, SMR has built eight new facilities. Some were expansions, others were Greenfield operations. The ability across Motherson to open new facilities for customers successfully is what has fuelled sustainable growth. "We started our top line in 2009 with around EUR 600 million and today we stand at almost EUR 1.46 billion. And we have a clear line of sight towards achieving our 2020 targets of organic growth." It is a considerable achievement in the global automotive market. "You know that we believe in the mantra 'top line is vanity, profit is sanity and cash in the bank is the reality,'" says



*"I call inventory the
'King indicator'.
It is a pennant of
all indicators."*

Char with a smile, paraphrasing his Chairman, Vivek Chaand Sehgal. "So we are not recklessly pursuing growth for the sake of growth. It is sustainable. And that is what makes our achievements really good, in my view."

MSSL sees opening new plants not just as critical for growing with its customers, but also from the perspective of developing the company culture. New plants are always supported by experienced people from other plants. For example, a team from India and Australia managed the new facility launch in Thailand. "A nucleus of people who come from 'mother plants'," as Char calls them, "cross-pollinate the knowledge and culture of Motherson to other facilities. We establish clear rules of engagement from the start — where we are marching to, what the direction is, how we are going to get there, what our values are, what our mission is. That helps to induct those new plants or acquisitions into the Motherson family and helps them produce the results that we want."

Opportunities and preparations

SMR is in a good position on the 3CX15 strategy — the internal target of not having any customer, component or continent contribute

more than 15% to the top line. "We have an extremely diversified customer portfolio today. We work with all carmakers in the book. So we are already close to achieving our 3CX15 objective. We have a footprint in every major automotive market in the world. And as we grow towards our 2020 objectives, we expect the individual customer portfolio ratios to further improve."

Asked what he is focusing on for the coming year, his answer reveals a mix of pragmatism and vision. First, SMR is continually focused on reducing costs. Char wants to capitalise on the results of its data analytics project to

**"We have
an extremely
diversified
customer portfolio
today."**



A woman with brown hair, wearing a light blue polo shirt and white gloves, is smiling at the camera while working on a black car part. She is in a factory setting with a metal grid fence in the background. A red emergency stop button is visible on the fence. The car part she is working on is black and has some internal components visible. A white cloth is draped over the workbench in front of her.

*"A nucleus of people
who come from other
plants cross-pollinate
the knowledge and
culture of Motherson
to new facilities."*

further automate and provide better

Big Data tools for its managers across functions. "We want to make ourselves more immune to labour fluctuations and inflation costs. That applies to both developed and low cost countries."

One of the great opportunities for the future, in Char's view, is in taking advantage of SMR's advanced engineering efforts. "We have invested significant resources to



develop new, advanced products like intelligent camera systems for the replacement of conventional mirrors, and we have very attractive propositions." SMR works diligently with customers to turn these into small and then large successes. "Our advanced engineering teams have done amazing jobs to deliver these innovations." Naturally, the competition is not sitting still. But Char thinks SMR is very well positioned. "Despite the fact that we are relatively small compared to giants in the field, we stand on equal footing with them in terms of the quality of our products."

To turn these technologies into sales is a major focus for SMR for the next couple of years. And these products would increase not just SMR's content per car but also its value per car. "We are seeing that

happening already. Our revenues do not just grow from improving our market share, but also because the technology penetration in our products is continually increasing." This process usually starts with the premium car segments and then gradually moves down to the mid and lower segments. Here Char points to an important development. "That trickle-down process used to take several years. But today we are seeing that is happening significantly quicker." Take the concept of turn signals in mirrors for example. These were introduced on the Mercedes S-Class by SMR in 1999. And today every car has them, but it took one and a half decades. "Today, technology is penetrating the market much quicker. The technology lifecycle is decreasing from year to year. This is a big opportunity for us."

"I strongly believe that we are well on our way to meeting the 2020 targets. We have been blessed with a very good organisation, very good people and I think we will deliver."

Proud to be part of Motherson

It is time to finish the interview and Char parts with a note on working within MSSL. "Within Motherson," he says, "all the companies help each other. When we came into the Group, other companies helped us — with capital, expertise, and in many other ways." The continual relationships with customers are all-important in this. "The trust that we have gained with the customers has completely changed the game for SMR. This year for example, GM has given us their Supplier of the Year award. We also received awards from other global OEMs including Hyundai, Toyota and Nissan, to name



a few. If you had asked me five years ago, I would never have thought that this would be possible. It is an indicator of how the Motherson philosophy has helped us improve our customer relationships." Similarly, SMR has significantly improved its relationship with the suppliers. "They also benefit from our growth," says Char. "But also, they know us as a fair partner. A tough customer, but a fair one, that does not go back on the commitments made."

All that makes Char visibly proud.

"We are now in a situation that we can help other divisions in turn. The data analytics project to reduce inventory, which we talked about earlier, is something other Motherson companies can also adopt with some modifications." SMR is presenting the approach and its results internally, as a benchmark for other companies to adopt. "We all play our different roles at different moments. And that is really great and encouraging, to know that we can always rely on the backup of our colleagues, if required. That is how we work. We are all part of the same company and in that way 'part of a bigger story'." Char ticks his watch. He has to go. It is time to catch his flight back to the USA.

Laksh Vaaman Sehgal

Division: **Motherson Innovations**

Laksh Vaaman Sehgal shares his vision for Motherson Innovations as a provider of exciting new technology solutions for the car of the future.

At 34 years of age, Laksh Vaaman Sehgal is one of the youngest top executives in the highly competitive global automotive industry. As the founder's son, some might think he would spend his corporate life in comfort. Instead, his father has tasked him with some of the most challenging assignments over the years. His latest mission is a very ambitious one: to set up a

new division for MSSL as a whole, called Motherson Innovations, that works on the car of the future. The company was kick-started this year. It received its own branding, and a sparkling new website has gone live.

Vaaman, who is usually referred to by his middle name inside MSSL, speaks from Europe for the interview. He is fast-talking, bustling with ideas and visibly passionate. "Motherson

Innovations is set up to be focused on a Group-wide level," he explains. This is a deliberate choice. A lot of Motherson products are connected nowadays. Think of wiring harnesses, mirrors and the sensors built into bumpers, for example. "This Group-wide focus allows Motherson Innovations to pick and choose the best competencies and solutions in all the Group companies and make one project in order to deliver a complete solution to the carmaker for new technologies. And we

can do that in ways the individual companies would not be able to do independently.”

We see big potential

Vaaman’s passion clearly shows, as the conversation picks up pace. “Looking at the exterior products that we are currently making, with the bumpers and the mirrors, we have a complete 360 degree vision around the car. So all the new sensors and cameras could be placed on our products,” Vaaman explains. “And similarly, with the interior of the car, a driver or passenger gets the information that is coming from these cameras and sensors on the dashboard, which is also a main part of our portfolio.” In other words, Motherson Innovations has the unique ability to combine its current interior and exterior products with the new technologies that are making the car more connected and more autonomous. “I believe we have a unique opportunity, as a trusted supplier with a strong foothold in technologies for exteriors

“Our technologies help carmakers differentiate their products.”

and interiors. And we’re using that to build new solutions for carmakers.”

Despite its recent start, the company is already working on multiple projects, on both the interior as well as the exterior of the car. Customers have shown a lot of interest. “We are currently working on surface technologies, lighting technologies, new interior technologies. We also work on solutions for the future connected car, and products that are expected to be very much in demand as the car industry evolves towards autonomous cars.”

In some ways, Motherson Innovations is a different kind of MSSL company. In the past, MSSL has always taken a customer-led approach. From opening new plants to taking over new companies, all of its growth has been initiated at the behest of customers. And the company deeply believes



in that philosophy. But R&D projects often need to be developed years before the actual market demand materialises. How does Motherson Innovations balance these requirements? “We proactively develop our own ideas which we think would be attractive to the OEMs. And at a very early stage, because of our great relationships, we engage our customers and can gauge their interest.”

MSSL has a very diverse set of customers, with different models in different market segments and geographies. “Our technologies help carmakers differentiate their products. Once there is interest from any one customer on a particular technology, that’s when we really invest and fast track the timelines to bring that to market, with the customer supporting us. So it is a de-risked model.”

A different breed

Motherson Innovations works on a broad spectrum of technologies. Apart from a focus on both exteriors and interiors, the company is engine agnostic. “Whether it is electric or petrol or hybrid or diesel, the products we make will still be very much in demand with the

carmakers, whatever the engine type.” In addition to that, the technology roadmap is focused on the medium as well as the longer-term. “We are working on technologies for better look and feel of interiors, which can be built into the next generation of models. But we are also developing exciting new products for the connected and the self-driving car of the future. Especially the interiors are likely to change, as people will do more things with their time inside the car rather than just driving it.”

Motherson not only has a very strong position in developed markets, but is also deeply rooted in developing markets, especially in India. The country is seeing strong economic growth, which brings social and economic changes. People are buying more cars and their demands are changing. This brings new opportunities for Motherson Innovations as they have complete end to end capability starting with design. “One of the most interesting things that are happening now is that international OEMs are wanting to design their cars completely in India, rather than just building existing models that were designed for developed markets,” Vaaman

points out. “It is very exciting, as it gives our Indian engineers complete freedom to design for the specific requirements of Indian drivers.” For example, in India many people are being driven in their cars rather than driving themselves. “So you can design features and interiors that are more in tune with owners sitting in the back seat instead of behind the steering wheel.”

While Motherson Innovations develops new technologies that increase the value of the car for owners and drivers, it also sees great opportunities for technologies catering to different market segments. There is also room for technologies which may not make the car much more expensive, but still make it more attractive for drivers. “Motherson Innovations’ focus on developing new technologies across the spectrum of lower costs to higher value will make the car more exciting but not necessarily more expensive.”

Growing trends and opportunities

One fairly constant theme in both developed and developing markets is the increasing use of electronics in cars. As Vaaman explains, “We are seeing that the amount of electronics that is coming into the car is increasing. A lot of our products are using more electronics than say even five years ago.” Such changes require new competencies and skills. Nevertheless, MSSL does not pursue such changes recklessly. “We’re following a careful approach to enter electronics because the risk and the rate of obsolescence is high. But through a methodical, planned

approach, I think we are reducing the risks. We will enter the electronic space with good partnerships, bringing technologies that also help make our current products even more attractive for customers.”

With some joint ventures in place for decades, most notably with Sumitomo, Motherson has always shown that it possesses strong capabilities in forming partnerships. That competence might prove extremely valuable for Motherson Innovations as well. After all, technological innovations often happen in small companies as well, which might not have the Tier One relationships that Motherson has. This could offer an alternative to doing all the innovations in-house. “We believe in partnerships and we’ve been very blessed to have



production facilities around the world. Motherson Innovations could produce its products using these facilities, but also set up new plants. “It really depends on what the customer needs,” says Vaaman. “When we already have strong manufacturing operations globally, that’s a huge advantage. If we can use those facilities we will

Experience at companies around the world shows that size can sometimes stifle innovation.

Vaaman is aware of that. “You know, while the Group DNA is very much inside Motherson Innovations, the company also has the liberty to think outside the box by not being fitted into one division or any one component.” As a result, Motherson Innovations could even think of possible new components that Motherson would be willing to get into.

“The main thread is that people from our own companies come into Motherson Innovations and start new projects, based on ideas developed within their respective units.” As Vaaman sees it, Motherson Innovations is genetically within the Group but mentally free to think outside of the Group. “Rather than being forced to focus on the immediate requirements of day-to-day service to our customers, we can imagine new solutions that take more time to mature. We retain the Motherson spirit and DNA of ‘ShineToWin’¹, while thinking fresh.” Seen from that perspective, Motherson Innovations may carry some of Vaaman’s own ability to fuse opposing forces into something new. Being young yet experienced, spiritually connected to a developing market yet thoroughly schooled in developed markets, carrying a tradition forward yet embracing the new, clearly the seeds for the future of MSSL are being planted.

“Motherson Innovations is genetically within the Group but mentally free to think outside it.”

giants as our joint venture partners. And we can provide opportunities to smaller players that are open to partnering with us, to jointly bring new age technologies into the car.” Naturally, Motherson Innovations would not compete with its existing joint ventures. “But there are a lot of areas where Motherson is not yet present. We’re always on the lookout for interesting opportunities like that.”

Under the Motherson umbrella
SMG operates more than 180

do that. But if needed, Motherson Innovations will not hesitate to set up its own plants near the customers.” Naturally, this also depends strongly on the economics. “We have to keep in mind that cost is a very important part of bringing new technologies to the market, and we are very aware of that. So we will always follow what brings the best value to our customer and works best for us also.”

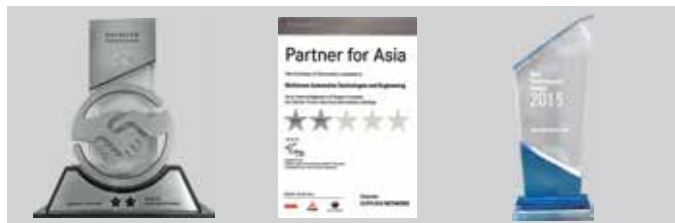
MSSL, at USD 5.7 billion in annual revenues, is no longer small.

¹ShineToWin: Speed, Honesty, Improvise, Not yet company, Evolvers, Trust, Open to ideas, Working together, Imaginators, Never give up attitude

Awards and recognition.

Customer awards.

Daimler/ Mercedes Benz



Partner for Asia
(Wiring Harness)

Partner for Asia
(Polymer)

Best Performance
(Wiring Harness)

Volkswagen



Group Award
(Polymer)

Partner for
FAST Program
(Polymer)

Maruti Suzuki



Overall Excellence
(Wiring Harness)

Overall Excellence
(Polymer)

Design & Development
(Wiring Harness)

Design & Development
(Polymer)

Maruti Suzuki



Safety (Polymer)

Honda Cars



Silver Award for
Quality of Spares
(Polymer)

Recognition for
Valuable Contribution
(Mirror)

Toyota



Supplier of the Year -
Golden Award Winner
(Wiring Harness)

Toyota



Zero Defect Supplies –
Zero PPM
(Wiring Harness)

Certificate of
Recognition in
the Area of Value
Analysis (Mirror)

PPM Performance
(Mirror)

Zero Defect
Supplies – Zero
PPM (Mirror)

Best Eco Kaizen
(Mirror)

General Motors



Supplier of the Year
(Mirror)

Supplier of the Year
(Polymer)

Supplier Quality
Excellence (Mirror)

Best Practices
Recognition (Mirror)

Renault Nissan



Overall Best QCDM
Performance
(Wiring Harness)

Special Contribution for
2ASDU Project
(Polymer)

In Recognition of the Excellent
Support in RNAIPL Production
During Torrential Rain/Flood in
November and December 2015
(Wiring Harness)

Nissan



Supplier Best Practices
Poka Yoke Development
(Mirror)

Customer awards.

Tata Motors



Best Supplier of the Year
(Wiring Harness)

Best Vendor Quality
Rating Supplier in the category
of "Proprietary Group"
(Wiring Harness)

Special Citation of Distinction
(Wiring Harness)

Mahindra Rise



Best Quality Performance –
Farm Division
(Wiring Harness)

Valuable Contribution in
Development of KUV100
(Polymer)

Valuable Contribution in
Development of TUV300
(Polymer)

Annual Commodity Award
(Mirror)

Hyundai



Overall Best Performance
(Wiring Harness)

Certificate – Supplier Quality
(Mirror)

Best Performer (Mirror)

Suzuki Motorcycles



Vendor Performance Award
in Field of Special Cost
Reduction Support
(Wiring Harness)

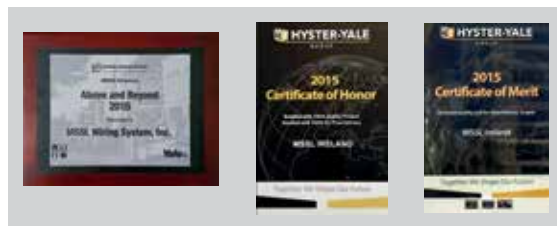
Hyundai Mobis



Best Performance
(Mirror)

Letter of Commendation
(Mirror)

NACCO / Hyster Yale



Above and
Beyond 2015
(Wiring Harness)

Certificate of
Honor - 100%
Quality Product,
100% On-Time
Delivery (Wiring
Harness)

Certificate of
Merit (Wiring
Harness)

Caterpillar



Platinum Level in Supplier
Quality Excellence
Process (Wiring Harness)

John Deere



Commendable
Performance for India
Business (Wiring Harness)

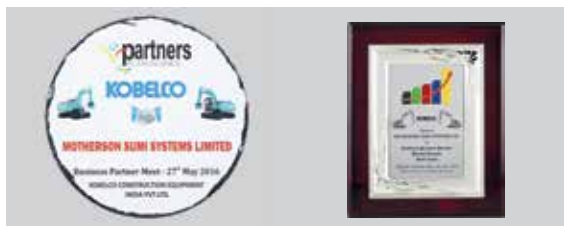
JCB



Q.C.R.P.M. Supplier
Performance
(Wiring Harness)

Chairman Award -
Strategic Partner in
Progress (Wiring Harness)

Kobelco



Partners in Excellence
(Wiring Harness)

Preferred Business Partner
(Wiring Harness)

Tata Hitachi



Award of Excellence
Support in Aggressive
Indigenization
(Wiring Harness)

Toyota Boshoku



Supplier of the Year -
Quality Performance
Rank 1 (Wiring Harness)

Institutional awards.

HIPA



Largest Greenfield Investment 2015 Hungary (Polymer)

St. Clair EDA



Certificate of Recognition and Commitment to St. Clair County (Mirror)

European Association for People Management



Runner-Up – European HR (Mirror)

Hungarian Association for Human Resources Management



HR Oscar (Mirror)

EEF – The manufacturers' organisation



Environmental Efficiency – South East Regional Runner-Up (Mirror)



Developing People – National Runner-Up (Mirror)



Developing People – South East Regional Winner (Mirror)

Institutional Investor magazine: 2016 All-Asia Executive Team Rankings for Autos and Auto Parts Sector

Institutional Investor is a distinguished financial publication catering to a global audience and offering proprietary research and rankings, serving as respected global industry benchmarks.

A Most Honoured Company

Motherson Sumi Systems Limited

Best CEO

Mr. Vivek Chaand Sehgal

Best CFO*

Mr. G.N. Gauba

Best Investor Relations Program*

Motherson Sumi Systems Limited

• 1,541 companies across 18 sectors nominated • 1,394 investment professionals at 582 financial institutions voted

*Among top 3 spots

MANAGEMENT DISCUSSIONS AND ANALYSIS

Overview

Motherson Sumi Systems Limited (MSSL) is a global solution provider to the automotive industry for interior and exterior modules, rear view vision systems and wiring harness as well as to other industries. The Company operates through 4 main product divisions: wiring harnesses, polymers, mirrors and elastomers. The Company operates in 25 countries from over 145 manufacturing facilities, supported by technical centers across the world.

The automotive sector is a highly complex and technology driven industry, with a strong focus on safety and environmental regulations. The Company's strategy is based on the principle that creating value for its customers and gaining their trust requires consistent outstanding performance and a broad product portfolio, continuously upgraded through technical and process innovations. This strategy is implemented through a relentless focus on "QCDDMSES" (Quality, Cost, Design & Development, Delivery, Management, Safety, Environment and Sustainability) across all divisions and companies.

The Company is continuously making strategic investments to support its customers globally, expand its product portfolio and achieve synergies through technological collaboration. MSSL's acquisitions are customer driven. MSSL has substantially expanded its customer base globally and further strengthened its affiliation with existing customers.

Fiscal Year 2015-16 marks the first year of MSSL's fifth 5 Year Plan, called Vision 2020. The Company is currently expanding capacities at all its main divisions to meet the customers' demand for new orders placed by them, especially in SMP. Operational improvements have been put in place and the Company has an exciting innovation pipeline, across the businesses. This year's achievements are in line with our 2020 targets.

Highlights

In FY2015-16, the Company reported its highest ever revenues both on a consolidated as well on standalone basis.

The Company's main achievements for the FY 2015-16 are summarised as follows:

Highlights of Consolidated results

- The Company reported record consolidated revenues of USD 5.7 billion for FY 2015-16.

- Revenue is up by 10% from revenues of 2014-15. In the last 5 years the Company revenues have shown a CAGR of 36%.
- The Company improved its operational Earnings Before Interest Tax and Depreciation (EBITDA) margin to 10% at a consolidated level. EBITDA increased by 17% on a consolidated basis.
- As a result of continuous operational improvement across all business units, consolidated operating margins for the Company improved and Profit Before Tax (PBT) has increased by 29% on a consolidated level. Profit After Tax (PAT) improved by 48% on a consolidated level.
- The Company reported a strong ROCE of 27% at a consolidated level in 2015-16, up from 26% as compared to ROCE in 2014-15.
- In view of these results, MSSL has declared interim dividends of ₹ 2.5 per share, representing a dividend payout ratio including taxes of 30% of consolidated profit after tax, compared to 37% for the previous year.

Highlights of Standalone results

- Standalone sales rose 6% to ₹ 52,335 million up from ₹ 49,198 million for FY2014-15.
- Exports from India are up by 7% from ₹ 7,492 million to ₹ 7,996 million at standalone level.
- The Company reported its highest ever return on capital employed (ROCE) of 43% at a standalone level.

Highlights of SMRPBV results

Samvardhana Motherson Automotive System Group BV (SMRPBV) [the holding company of Samvardhana Motherson Reflectec (SMR) and Samvardhana Motherson Peguform (SMP)] reported strong growth and profitability performance:

- SMR reported record sales of ₹ 105,549 million (Euro 1,460 million). SMR achieved 24% growth in EBITDA at ₹ 11,105 million (Euro 154 million), PBT was up by 31% at ₹ 7,995 million (Euro 111 million) and PAT was up by 24% at ₹ 2,941 million (Euro 41 million).
- SMR ROCE rose to 42%. SMR achieved more than 40% ROCE for the first time.
- SMP achieved the highest ever annual sales of ₹ 189,864 million (Euro 2,627 million). EBITDA rose by

20% to ₹ 11,783 million (Euro 163 million). PBT increased by 14% to ₹ 3,826 million (Euro 53 million). PAT went up by 150%, ending at ₹ 1,072 million (Euro 15 million).

- SMRPBV has a total order book of Euro 13.5 billion as on 31st March 2016. During the year SMRP BV has won orders worth Euro 8.8 billion.

Highlights of capital expenditures

During the year under review the Company has incurred significant capital expenditure of ₹20,236 million (on consolidated basis) to expand its footprint and to enhance existing capacities:

- SMRP BV expanded its manufacturing capacities and global footprint under both SMR and SMP. Expansion projects of SMP are in progress in USA, Mexico, Spain, France and China. Expansion projects of SMR are in progress in USA, Mexico, India, Hungary and France.
- MATE (a division of the Company) has set up a plant in Sanand (Gujrat, India) and is also setting up a plant in Walajabad (Chennai, India).
- The Wiring Harness Division has expanded its manufacturing capacity at existing facilities in Noida and is also setting up a plant in Walajabad (Chennai, India) and Sanand (Gujrat).

(Note: all the growth percentage stated above are in comparison with corresponding previous year figures.)

INDIAN VEHICLE & COMPONENT MARKET

The Indian automotive industry is showing positive signs with moderate growth in the passenger vehicle and two wheeler segments after a challenging previous year. During the year OEMs launched new models with additional functionalities and features to attract customers and create demand.

Figures in thousand

Segment	2015-16	2014-15	2013-14
Passenger Vehicles			
Numbers	3,414	3,220	3,072
Growth Rate	6%	5%	-5%
Commercial Vehicles			
Numbers	783	697	699
Growth rate	12%	-0%	-20%
Two Wheelers			
Numbers	18,830	18,500	16,880
Growth Rate	2%	10%	7%

Source: SIAM Report

As per the Indian government's AMP (Automotive Mission Plan 2016-2026), by 2026 the Indian automotive industry will be among the top three of the world in engineering, manufacture and export of vehicles and auto components, and will encompass safe, efficient and environment friendly conditions for affordable mobility of people and transportation of goods in India comparable with global standards, growing value to over 12% of India's GDP, and generating an additional 65 million jobs.

The long term outlook remains positive for the automotive industry with all major global players having a base in India for manufacturing, global sourcing as well as engineering. Correction in fuel prices and lower finance cost should further add domestic growth in the short to medium term. Regular product launches planned by OEMs will keep customer excitement levels up and create demand and is favorable for overall industry growth.

GLOBAL CAR PRODUCTION

Vehicle Production: Region (in numbers)	2015-16	2014-15
Europe	21,049,388	20,157,972
North America	17,715,858	17,127,635
South America	2,832,672	3,657,903
Asia (including India)	47,350,924	46,580,863
Grand Total	88,948,842	87,524,373

Source: ACMA Report

The global production of passenger cars and commercial vehicles has increased by 2% in 2015-16. There is moderate growth in automotive production in Europe, North America and Asia excluding India in 2015-16 as compared to last year.

Segment performance - Automotive / Non-Automotive

MSSL manufactures automotive and non-automotive products. The contribution of the automotive segment in the Company's revenue stands at 94% on a standalone basis (up by 7% compared to the previous year) and at 97% on a consolidated (up by 10% compared to the previous year).

The following tables show business progress with respect to our different business segments during FY2015-16:

₹ in Million

Consolidated	2015-16		2014-15		Growth
	%	Amount	%	Amount	%
Automotive	97%	368,045	97%	334,644	10%
Non-Automotive	3%	12,290	3%	10,259	20%
Total		380,335		344,903	10%

Standalone	2015-16		2014-15		Growth
	%	Amount	%	Amount	%
Automotive	94%	49,082	93%	45,952	7%
Non-Automotive	6%	3,253	7%	3,246	0%
Total		52,335		49,198	6%

In the automotive segment, MSSL is a supplier of wiring harnesses, wires, rubber components, cockpit assembly, moulds for wiring harness components and moulded parts, plastic moulded components, rocker panels, spoilers, scuff plates, mouldings, belt line mouldings, antenna hoods, air bag covers, decorative trim parts, injection-moulding, extrusion, stretch-bending, brass terminals, thermo-formed products, polyurethane moulded products, blow moulded products, HVAC modules, compressors, body control modules, meters clusters, interior mirrors, exterior mirrors, bumper systems, plastic components for vehicle exteriors, dashboards and vehicle interior trims etc. MSSL supplies these products to all leading automobile manufacturers globally.

In the non-automotive segment, MSSL is one of the largest suppliers of wiring harnesses to manufacturers of material handling equipment, off-road vehicles/construction equipment, agricultural equipment, industrial forklifts and other industries. The Company offers a variety of products, from individual components to full system solutions, such as plastic components for white goods, household wires, plates, the Aerobin, the Re-timer light device, etc.

MSSL continuous to be focussed mainly on the automotive industry, and has strong OEM relationships. MSSL's organic and inorganic growth have always been customer-led and the Company continues to follow this strategy.

Geographical Spread

The Company's consolidated revenues reached USD 5.7 billion during the year, up from USD 5.5 billion in FY2014-15.

The Company's consolidated sales grew by 10% to ₹ 380,335 million (equivalent to US\$ 5.7 billion approx.), having 85% of consolidated sales coming from outside India. With the significant contribution in sales growth from outside India and the ability to serve customers globally, the Company has emerged as a global player in the automotive component industry.

Standalone sales growth of 6% to ₹ 52,335 million has been helped by strong global as well as domestic performance in India. Currently 15% of standalone sales originate from outside of India.

On a geographical basis, sales performance of the Company during the year 2015-16 on a consolidated and a standalone basis are as follows:

₹ in Million

Consolidated	2015-16		2014-15	Growth
	%	Amount	Amount	%
Customers within India	15%	57,114	52,590	9%
Customers outside India	85%	323,221	292,313	11%
Total		380,335	344,903	10%

Standalone	2015-16		2014-15	Growth
	%	Amount	Amount	%
Customers within India	85%	44,339	41,706	6%
Customers outside India	15%	7,996	7,492	7%
Total		52,335	49,198	6%

The driving force behind this growth is the Company's ability to earn the trust of global as well as domestic customers, by providing end to end solutions supported by global manufacturing capabilities, global proximity to customer facilities, the ability to manage cross-cultural operations and core expertise in all aspects of design, research, engineering and development.

MSSL has substantially expanded its customer base globally and further strengthened its affiliation with existing customers. The Company has a presence in 25 countries and conducts its operations from over 145 manufacturing facilities, supported by technical centers located worldwide.

The Company's sales to customers in India grew by 9% on a consolidated basis and 6% on a standalone basis.

FINANCIAL REVIEW

MSSL continues to outperform the industry in terms of growth in revenues and profitability. The overall summary of the Company's consolidated and standalone financial position is as follows.

The consolidated financial position and results are strong, helped by impressive improvements at SMRPBV. Table below provides an overview of the financial position.

Consolidated financial review:

₹ in Million

Financial position	2015-16	2014-15	% change
Net fixed assets	87,329	70,847	23%
Other assets:			
-Inventory	45,033	37,500	20%
-Trade receivables	34,656	30,144	15%
-Cash & bank balance	19,329	18,919	2%
-Other assets	20,884	18,298	14%
Total assets	207,231	175,708	18%
Liabilities (other than loans)	87,017	81,022	7%
Net assets	120,214	94,686	27%
Source of funding:			
Net worth	39,320	30,090	31%
Reserve on revaluation, amalgamation and consolidation	3,136	3,148	0%
Minority interest	14,411	10,142	42%
	56,867	43,380	31%
Loans outstanding:			
- Payable within one year	3,465	2,202	57%
- Short-term loans	9,859	8,245	20%
- Long-term loans	50,023	40,859	22%
Total loans	63,347	51,306	23%
Loans (net of cash and bank balances)	44,018	32,387	36%
Capital expenditure (Net of disposals)	20,236	18,390	10%

During the year, the Company incurred capital expenditure of ₹ 20,236 million (Previous Year ₹ 18,390 million), which was funded from internal accruals and proceeds from issuance of senior secured notes. The Company's net debt is ₹44,018 million as on March 31, 2016, up from ₹32,387 million as on March 31, 2015.

Samvardhana Motherson Automotive Systems Group B.V. (SMRP BV) issued new 3.700% senior secured Notes due 2025 ("the 2015 Notes"), for a total of EURO 100 million. This was the second successful issue of Notes by the Company in less than one year. The 2015 Notes have been rated BB+ by S&P, the same as the Company's outstanding EURO 500 million 4.125% notes due 2021 issued in July 2014 (the 2014 Notes), and are jointly and severally guaranteed on a senior secured basis by certain of Motherson Group Companies.

The 2015 Notes have been issued with a longer tenure and a lower coupon rate, in comparison to the 2014 Notes. The terms of the 2015 Notes reflect strengthening of the Company's credit profile and the strong investor confidence in the Company. The additional bonds gave added liquidity to the Company to meet investment requirements for its order book, while further extending the Company's debt maturity profile.

The Company monitors its net working capital regularly in order to maintain it adequately even with the increasing scale of operations. In terms of days, net working capital employed as on March 31, 2016 was 32 days (25 days as on March 31, 2015).

The Company's cash and bank balance of ₹ 19,329 million included the cash and bank balance at SMRP BV for meeting capital expenditure requirements.

Consolidated financial results

The Company's consolidated financial results are summarised in the Table below. The Company's consolidated sales of ₹ 380,335 million represent a new record level.

₹ in Million

Results	2015-16	2014-15	% change
Sales	380,335	344,903	10%
Other operating income	6,434	5,416	19%
Cost of goods sold	231,672	216,314	7%
Employee cost	73,997	63,653	16%
Other expenses	43,075	38,004	13%
PBIDT (*)	38,025	32,348	18%
Exchange fluctuation loss / (gain) on long-term loans	665	321	107%
Exceptional expenditure / (income) net	291	1,648	-82%
PBT	23,399	18,171	29%
PAT	17,563	12,919	37%
Concern share after adjusting minority interest	12,737	8,625	48%
EPS – Diluted (₹)*	9.63	6.52	48%

*Excludes foreign exchange fluctuation on long-term loans, exceptional income / expense and non-operating income.

Costs of goods sold have a significant effect on the Company's results. Given below is a review by division:

- The key raw materials required by the Polymer Division are polypropylenes, polycarbonates, ABS and various grades of nylons and resins. Finished products contain decorative (leather, textile and foils) materials, chrome, fasteners, wiring harnesses, electronics, electrical parts, die-casting, plastic and metal parts. The major raw material used in the manufacture of tools and moulds is alloy steel.
- The key inputs for the Mirror Division 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 Division is copper.
- The second largest aggregate cost component after raw materials is employee cost. It includes salaries and wages, contribution to provident fund, gratuity, employee pension schemes and expenses

incurred on staff welfare. Overall employee costs have increased by 16% in 2015-16, which is 19% of total revenue compared to 18% in 2014-15, due to capacity expansion.

Profit before Interest Depreciation and Tax (PBIDT) increased by 18% to ₹ 38,025 million from ₹ 32,348 million during 2015-16. The Company has reported strong profitability on account of significant improvements at SMR and SMP. Profit before Tax (PBT) substantially increased by 29% to ₹ 23,399 million from ₹ 18,171 million during previous year. Profit After Tax (PAT) concern share significantly improved by 48% to ₹ 12,737 million as against ₹ 8,625 million during FY2014-15.

During the year, SMRP BV incurred exceptional expenditures of ₹ 291 million in connection with issue of 3.7% Senior Secured Notes.

Standalone financial review:

₹ in Million

Financial position	2015-16	2014-15	% change
Net fixed assets	14,740	15,017	-2%
Other assets:			
-Inventory	6,982	6,084	15%
-Trade receivables	5,921	4,577	29%
-Cash & bank balance	185	1,461	-87%
-Investments	7,473	7,320	2%
-Other assets	3,022	2,930	3%
Total assets	38,323	37,389	2%
Liabilities (other than loans)	9,062	11,032	-16%
Net assets	29,261	26,357	10%
Source of funding:			
Net worth	22,607	19,262	17%
Reserve on revaluation, amalgamation and consolidation	1,759	1,759	-
	24,366	21,021	15%
Loans Outstanding:			
- Payable within one year	1,514	1,206	26%
- Short Term Loans	1,410	947	49%
- Long Term Loans	1,971	3,183	-38%
Total Loans	4,895	5,336	-8%
Loans (net of cash and bank balances)	4,710	3,875	22%
Capital Expenditure (Net of disposals)	1,609	2,028	-21%

During the year, the Company incurred capital expenditures of ₹ 1,609 million on setting up of new facilities, including those in Sanand (Gujrat, India) and

Waljabad (Chennai), as well as for the expansion of existing capacities at various locations (refer "Capital Expenditure" for more details).

Standalone financial results

₹ in Million

Results	2015-16	2014-15	% change
Sales	52,335	49,198	6%
Other operating income	1,161	979	19%
Cost of goods sold	29,204	27,981	4%
Staff cost	6,869	6,028	14%
Other expenses	7,189	6,830	5%
PBIDT (*)	10,234	9,338	10%
Exchange fluctuation loss /(gain) on long-term loans	256	214	20%
Dividend income from subsidiaries/ Joint Ventures	1,116	401	178%
PBT	9,455	7,238	31%
PAT	7,119	5,149	38%
EPS – Diluted (₹)*	5.38	3.89	38%

*Excludes foreign exchange fluctuation on long-term loans, dividend income and other non-operating income.

During the year, the Company's standalone revenues increased by 6% to ₹ 52,335 million. PBIDT increased by 10% at ₹ 10,234 million, up from ₹ 9,338 million during 2015-16. PBT amounted to ₹ 9,455 million in comparison with ₹ 7,238 million during the previous year. This is mainly due to higher dividend income from subsidiaries during the current year and less depreciation in the current year as compare to last year as last year had higher depreciation due to revision in useful life of asset as per new Companies Act 2013 in previous year.

CAPITAL EXPENDITURE

During the year, the Company incurred ₹ 20,236 million on account of capital expenditures at a consolidated level. The major portion of this expenditure has been financed from internal sources. The Company allocated significant funds during the past years to enhance its capacity to support its customers in Germany, USA, China, Thailand, South Africa, Mexico, India and Spain. The Company is focused on utilizing its global capabilities in order to achieve new heights in terms of growth with optimal capital outlays. The capital expenditure, during 2016-17, is expected to be in the range of ₹ 30 billion to ₹ 40 billion.

SMRP BV expanded its manufacturing capacities and global footprint under both SMR and SMP. The status of capacity expansions initiated is as follows:

- During 2015-16, SMP has started commercial production in brownfield facility in Bötzingen (Germany) for manufacturing of plastic components to meet new orders.
- SMP started expanding its capacity at the following locations:

Started construction of a greenfield plant at Kekscemet in Hungary. Commercial production will start during FY 2017-18.

Started construction of greenfield plant at Tuscaloosa, Alabama in USA. Commercial production will start during FY 2018-19.

Started setting up a new paint shop in Beijing (China) to add capacities for meeting the requirements of new orders for door trims. Commercial production will start during 2016-17 from this facility.

Started setting up a greenfield plant at San José (Mexico) to add capacities, in FY2015-16. Commercial production will start during 2016-17 from this facility.

Other expansion projects in progress are:

- greenfield expansion at Zitlaltepec-Mexico
- a new paint line in Polinya-Spain
- vertical integration expansion in France

Start-up cost incurred for new plants and facilities under construction was € 22.3 million for FY2015-16 (€ 4.3 million for FY2014-15). There are significant start-up costs including project management cost, trial of new products, machine set-up cost etc. which are expensed to the income statement as per the conservative accounting practice. This will get normalised once the matching revenues from the new plants will start.

- The mirror division (SMR) has added capacities and started commercial production from a new facility in Marysville (USA) and in China. Further construction of new plants and expansion is in progress in the USA, Mexico, India, Hungary and France.

MSSL incurred capex of ₹ 1,609 million at standalone level, which includes:

- Plant in Sanand (Gujrat, India) set up by Motherson Automotive Technology & Engineering (MATE- a division of the Company) for manufacturing moulded components and integrated modules. MATE has also set up a plant in Walajabad (Chennai, India) for the manufacturing of moulded components. The plants have been operational during 2015-16 and started contributing to the sales of the polymer division.
- The Wiring Harness Division has expanded its manufacturing capacity at existing facilities in Noida and is also setting up a plant at Walajabad (Chennai, India). Ramp-up of these plants will happen during FY 2016-17. Wiring Harness Division has also expanding its footprints in Sanand (Gujrat). Commercial production will start in FY 2017-18.

CASH FLOW

The Company's cash flow position is very strong. Improved cash flow generation has resulted in strong returns for the shareholders. The following tables summarise MSSL's consolidated and standalone cash flows for the current and previous years.

₹ in Million

Consolidated Cash Flow	2015-16	2014-15
Cash flow from operations	30,634	40,064
Taxes paid	(7,525)	(6,167)
Cash flow from operating activities	23,109	33,897
Capital Expenditure (Net of disposal)	(20,236)	(18,390)
Cash flow from other investing activities	212	(10,139)
Cash flow from Investing activities	(20,024)	(28,529)
Cash flow from financing activities	(2,829)	4,945
Net Increase/(Decrease) in Cash & Cash Equivalents	256	10,313
Net Cash and Cash equivalents at the beginning of the year	18,698	8,305
Cash and cash equivalents acquired consequent to acquisition of business	-	85
Cash and cash equivalents as at current year closing*	18,954	18,703

*(including exchange difference on balances with bank in foreign currency)

Operating profit before working capital changes during the year was higher at ₹ 39,773 million compared to ₹ 27,414 million. The increase is primarily due to higher earnings.

₹ in Million

Standalone Cash flow	2015-16	2014-15
Cash flow from operations	9,359	10,558
Taxes paid	(2,750)	(2,350)
Cash flow from operating activities	6,609	8,208
Capital Expenditure (Net of disposal)	(1,609)	(2,028)
Cash flow from other investing activities	1,562	443
Cash flow from Investing activities	(47)	(1,585)
Cash flow from financing activities	(7,868)	(5,346)
Net Increase/(Decrease) in Cash & Cash Equivalents	(1,306)	1,277
Net Cash and Cash equivalents at the beginning of the year	1,441	165
Cash and cash equivalents as at current year closing*	135	1,442

*(including exchange difference on balances with bank in foreign currency)

Operating profit before working capital changes was higher at ₹ 10,316 million, compared to ₹9,443 million for FY2014-15.

REVENUES

During the year, consolidated revenues improved by 10% and touched level of ₹380,335 million and on a standalone basis, the revenues increased by 6% to ₹52,335 million.

₹ in Million

	2015-16		2014-15	Growth
	%	Amount	Amount	%
Consolidated				
Modules and Polymer Components	56%	213,107	190,839	12%
Mirror	28%	105,438	98,791	7%
Wiring Harness	15%	59,479	51,996	14%
Rubber/Metal machined & other products	1%	2,311	3,277	-29%
Total		380,335	344,903	10%
Standalone				
Wiring Harness	71%	37,115	36,043	3%
Modules and Polymer Components	28%	14,665	12,681	16%
Rubber/Metal machined & other products	1%	555	474	17%
Total		52,335	49,198	6%

MSSL's broadening horizons in diversified geographies by covering major customers and vehicle segments

resulted in its growth across all its major product 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.

MODULES AND POLYMER PRODUCTS

With more than 50 molding facilities across globe including India, Brazil, China, Mexico, Sharjah, Germany, Portugal, Slovakia, South Africa, Spain and Czech Republic, the Polymer division contributed 56% to the Company's consolidated revenues in 2015-16. Now it is amongst the largest plastic component and module suppliers to the automotive industry in Europe and India.

Markets outside India

SMP and MATE are the largest contributors to the revenues of the division. This business is also operated through the Company's other subsidiaries namely MSSL Global RSA Module Engineering Ltd., MSSL Tooling (FZE), Global Environment Management (FZC), MSSL Advanced Polymers s.r.o., and Vacuform 2000 Pty Ltd.

Sales of the Module and Polymer division outside of India:

₹ In Million

Customers outside India	2015-16	2014-15	Growth %
	Amount	Amount	
Consolidated	197,751	177,401	11%
Standalone	1,033	833	24%

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

Domestic Markets

Sales of Module and Polymer Products within India:

₹ in Million

Customers within India	2015-16	2014-15	Growth %
	Amount	Amount	
Consolidated	15,356	13,437	14%
Standalone	13,632	11,849	15%

Growth of Modules and polymer products has been discussed in detail in the MSSL Standalone section in "Performance of Companies".

AUTOMOTIVE MIRRORS

Sales of Automotive Mirrors:

₹ in Million

Mirrors	2015-16		2014-15	Growth %
	%	Amount	Amount	
Customers Within India	4%	4,547	3,476	31%
Customers Outside India	96%	100,891	95,315	6%
Total		105,438	98,791	7%

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

WIRING HARNESSES

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 more than 40 manufacturing facilities serving a large number of major automotive, heavy duty and industrial customers worldwide.

With its subsidiaries and joint ventures, The Company has its wiring harness manufacturing and support spread across India, Sharjah, Ireland, Sri Lanka, Italy, Japan, United Kingdom, United States of America, 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 harnesses.

Domestic Market

₹ in Million

Customers within India	2015-16	2014-15	Growth %
	Amount	Amount	
Consolidated	37,002	35,428	4%
Standalone	30,497	29,655	3%

Growth of wiring harness has been discussed in detail in the MSSL Standalone section in "Performance of Companies".

Outside India

Exports from India recorded a growth of 4% at ₹ 6,618 million on a standalone basis and 36% on a consolidated

basis mainly driven by an expanded customer base as given in the below table:-

₹ in Million

Customers outside India	2015-16	2014-15	Growth %
	Amount	Amount	
Consolidated	22,477	16,568	36%
Standalone	6,618	6,388	4%

Sale of wiring harness at a consolidated level excludes sales of ₹ 4,337 million (2014-15: ₹3,912 million) to various locations of SMR. The total sale of wiring harnesses outside India on a consolidated basis registered a growth of 36% at ₹ 22,477 million mainly on account of increase in demand from existing and new customers.

PERFORMANCE OF COMPANIES

MSSL Standalone

MSSL is ultimate holding company and it is the flagship company of the Samvardhana Motherson Group. It is a leading supplier of wiring harnesses, injection-moulded components, assemblies, blow moulded components, integrated modules and high precision plastic parts to OEMs. MSSL is working with more than 38,000 employees in 52 facilities across India.

₹ in Million

	2015-16		2014-15		Growth %
	%	Amount	%	Amount	
Wiring Harness	71%	37,115	73%	36,043	3%
Modules and Polymer Components	28%	14,665	26%	12,681	16%
Rubber/Metal machined & other products	1%	555	1%	474	17%
Total		52,335		49,198	6%

Wiring Harness

The wiring harness division has 27 facilities in India spread over Noida, Haryana, Pune, Bengaluru, Chennai, Rajasthan and Gujarat. The Company's comprehensive design capabilities and its extensive product portfolio, facilitate continuous gain of market share and rapid growth in revenue above the industry average.

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

its 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 develop molds for a wide range of applications from high precision components to complicated automobile parts with specialisation in wiring harness components. It has further strengthened capabilities for indigenisation, in-house development and manufacturing of components for wiring harness.

Superior quality of the end product, consistent just-in-time product supply and customer service continue to be areas of competitive advantage for the wiring harness business. The customer base of the Wiring Harness Division 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 segment has a strong presence in European two-wheeler and material handling equipment markets, along with the commercial vehicle segment in USA.

₹ in Million

	2015-16		2014-15		Growth %
	%	Amount	%	Amount	
Customers Within India	82%	30,497	82%	29,655	3%
Customers Outside India	18%	6,618	18%	6,388	4%
Total		37,115		36,043	3%

The Company has pass through arrangements with customers for copper price fluctuation and fluctuations in Yen for imports. The total sale of wiring harness registered a growth of 3% despite significant reduction in copper prices during the year. The Wiring Harness division has major exposure in Euro region in relation to sales outside India and the marginal sales growth in this region has influence due to depreciation in Euro.

Modules and polymer product division

This division is continuously upgrading and expanding its facilities to meet increasing customer requirements. It manufactures wide range of injection-moulded components, assemblies, blow moulded 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 moulds for a wide range

of applications from high precision components to complicated automobile parts with specialisation in wiring harness components.

Polymer division has 20 manufacturing facilities and 5 design centers in India spread over Noida, Manesar, Pune, Bengaluru, Chennai, Pondicherry, Rajasthan, Gujarat and Walajabad. 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. Module and polymer division is serving leading OEMs including MSIL, Volkswagen, Hyundai, Daimler, Ford and Renault etc.

MATE units have been awarded for superior performance in Quality, Cost, Delivery, Development, Program Management, Vendor Performance and Supply categories by various customers.

Sales in Module and Polymer Products within India:

₹ in Million

	2015-16		2014-15		Growth
	%	Amount	%	Amount	%
Customers Within India	93%	13,632	93%	11,849	15%
Customers Outside India	7%	1,033	7%	833	24%
Total		14,665		12,681	16%

The sale outside India in Module and Polymer division of the Company has registered a growth of 24% during 2015-16.

Machined metal components, rubber components and others

The Metal Machining business is conducted by Motherson Innovative Engineering Solutions (MINES), a division of MSSSL, which has its facility at Bengaluru, India.

The Rubber Components business is conducted through MAE division of MSSSL in Chennai, India.

Sales in Machined metal components, rubber components and others:

₹ in Million

	2015-16		2014-15		Growth
	%	Amount	%	Amount	%
Customers Within India	38%	210	43%	203	3%
Customers Outside India	62%	345	57%	271	27%
Total		555		474	17%

During the year, the division achieved growth of 3% in its domestic revenue and 27% outside India.

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

Samvardhana Motherson Automotive System Group B.V (SMRP BV), Netherlands

(Consolidated with its Subsidiaries & Joint Venture)

Introduction: SMRP BV is a joint venture between the Company and Samvardhana Motherson International Limited. The Company holds 51% of the shareholding in SMRP BV through its step down subsidiaries. SMRP BV operates through SMR division (rear view vision systems) and SMP division (interior & exterior modules).

SMRP BV Group is a trusted partner and strategic Tier-I supplier of rear view vision systems and interior & exterior modules (including door panels, instrument panels and bumpers) to leading global OEMs and has well established strategic relationships with several OEMs across the globe. The ability to support OEMs in every phase of product development process differentiates the Company from many of the competitors and the substantial investment & time that would be required to replicate Company's global footprint, strengthens the status of SMRP BV Group as a preferred partner to most of the leading OEMs in the automotive industry.

The SMRP BV Group is active in all major global automotive production regions. With 47 facilities and 11 module centers spread across 16 countries and strategically located in close proximity to the manufacturing plants of the OEM customers. These include two new Greenfield plants in Kecskemet (Hungary) and Tuscaloosa (USA) to cater to new customer orders.

As on March 31, 2016, SMRP BV Group had a total of 22,373 employees comprising of 9,309 employees at SMR group and 13,064 employees at SMP Group.

The long-term credit rating of BB+ as assigned to the Company last year by Standard and Poors was affirmed again during fiscal year ended 31st March 2016 with stable outlook. Further an issue rating of "BB+" was assigned to Euro 100 million Senior Secured Notes issued in June 2015.

SMRPBV achieved sales of more than Euro 4,086 million having healthy growth of 17% in euro terms over previous year.

₹ in Million

	2015-16		2014-15		Growth %
	%	Amount	%	Amount	
Mirror (SMR)	36%	105,535	36%	98,866	7%
Modules and Polymer Components (SMP)	64%	189,830	64%	172,200	10%
Total		295,365		271,066	9%

SMP contributed 64% of the sales and SMR contributed 36% of the sales for the fiscal year ended March 31, 2016. In Euro terms the sales grew by 17%, at Euro 4,086 million for 2015-16, compared to Euro 3,498 million in 2014-15.

₹ in Million

	2015-16		2014-15		Growth %
	%	Amount	%	Amount	
Customers Within India	2%	4,620	1%	3,536	31%
Customers Outside India	98%	290,745	99%	267,530	9%
Total		295,365		271,066	9%

Europe is the major contributor in turnover with 71%. The revenue contribution from other geographies was Asia Pacific (including India) 16% and Americas 13%.

Rear view vision systems (SMR):

SMR is a leading global supplier of exterior mirrors having its headquarters in Stuttgart, Germany with a global market share of 24% by volume. SMR has 8% market share of the total global interior mirror market. SMR 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, Audi, Daimler and Volkswagen.

SMR is present in 14 countries, has 20 production facilities including 2 module centres and employees 9,309 as on March 31, 2016. A series of programs initiated since the acquisition by the Company in 2009 has resulted in an impressive recovery and turnaround. In the last year, a specific focus on free cash flow has result in significant operational improvements. In addition, SMR has won new orders and has received strong customer response based on consistent improvements since it became part of MSSSL.

SMR is active in every phase of the product development cycle, and its product portfolio 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's focus on research & development and customer collaboration has resulted in various first-to-market innovations and a variety of full system solutions tailored to the needs of OEMs and end consumers, including Blind Spot Detection Systems and Telescopic Trailer Tow mirrors.

SMR has a sustained focus on research and development. SMR held 658 granted patents, 135 pending patents and 15 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.

Financial Position of SMR division:

Euro in Million

SMR – Consolidated *	2015-16	2014-15	% change
Net Fixed Assets	262	245	7%
Other Assets:			
-Inventory	98	112	-13%
-Trade Receivables	119	139	-14%
-Cash & Bank Balance	72	67	7%
-Other Assets	128	84	52%
Total Assets	679	647	5%
Liabilities (other than Loans)	311	322	-3%
Net Assets	368	325	13%
Capital Expenditure (Net of disposals)	74	56	32%

Performance in 2015-16:

SMR's sales grew 14% to Euro 1,460 million for the fiscal year ended March 31, 2016, from Euro 1,276 million for the previous fiscal year. This is the result of growth across geographic locations. SMR has also experienced

strong growth in EBITDA of 23%, to a total of Euro 154 million as compared to Euro 125 million during previous year. The increase is primarily due to strong market demand in USA, Mexico & Spain. There is a significant increase in sales across all geographical locations.

Table below summarises the results.

Euro in Million

SMR – Consolidated *	2015-16	2014-15	Growth in %
Sales	1,460	1,276	14%
PBIDT (*)	154	125	23%
Depreciation	37	31	19%
EBIT(*)	116	94	23%

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

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

Interior and exterior modules (SMP):

SMP division produces various polymer-based interior and exterior products for light vehicles. SMP 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. Its product portfolio primarily comprises of complete modules, including door panels, instrument panels and bumpers as well as other plastic components and systems, such as centre consoles, decorative interior trims and plastic body parts. These products involve a complex manufacturing and assembly processes, require significant systems integration expertise and represent key comfort and aesthetic features of the vehicles in which they are integrated.

As of March 31, 2016, SMP held 280 registered patents and had 42 filed patent applications pending in relation to its interior and exterior modules business. It also held 30 registered utility models as of March 31, 2016. SMP has focused its patent efforts on composite technologies, passenger airbag integration solutions, plastic replacement of metal exterior parts, lightweight construction techniques, pedestrian protection and one-step manufacturing. SMP currently holds patents for various addition products and processes, including slush-molding, physical foaming, surface machining of tools and molds and others. These products involve a complex manufacturing and assembly processes, require significant systems integration expertise and represent key comfort and aesthetic features of the

vehicles in which they are integrated.

SMP including SMIA has 27 manufacturing facilities and 9 module centres in seven countries across the globe and employed 13,064 people as of March 31, 2016.

Due to strong synergies between product portfolio and manufacturing technologies, SMIA is considered as part of SMP for the purpose of review by the Chief Operating Decision Makers ("CODM") in taking strategic decisions.

The series of actions initiated since the acquisition by MSSL has resulted in significant recovery and stabilizing operations at SMP. These actions include streamlining of operations, restructuring of manufacturing facilities in stress, rationalisation 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, restructuring of management and identify opportunities for vertical Integration. As a result, SMP has been able to win new orders and has strengthened relationships with all customers to increase revenue with significant improvements in operating margins.

The polymer division of MSSL has over 55 manufacturing facilities across the globe with over 1,500 injection, gas, compression and blow moulding machines.

Financial Position of SMP division:

Euro in Million

SMP – Consolidated *	2015-16	2014-15	% change
Net fixed assets	568	448	27%
Goodwill on acquisition	40	40	0%
Other assets:			
-Inventory	342	289	18%
-Trade Receivables	199	170	17%
-Cash & Bank Balance**	134	128	5%
-Investments	906	906	0%
-Other Assets	152	158	-4%
Total Assets	2,341	2,139	9%
Liabilities (other than Loans)	652	611	7%
Net Assets	1,688	1,528	10%
Capital Expenditure (Net of disposals)	157	161	

** Including balance of parent Company SMRP BV

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

There is an increase in inventory during current financial year due to engineering projects under development.

As at the year end, the cash and bank balance is higher for meeting the capital expenditure payments for new plants.

Performance in 2015-16:

Euro in Million

SMP – Consolidated #	2015-16	2014-15	% change
Sales	2,627	2,222	18%
EBITDA (*)	163	137	19%
Depreciation	79	50	58%
EBIT(*)	80	87	-8%

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

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

During the year, SMP registered growth of 18% in revenues, Euro 2,627 million from Euro 2,222 million with 20% increase in EBITDA margin and substantial growth in PBT and PAT. The increase in SMP revenues is primarily due to increase of revenues due to ramp

up of new plant at Schierling, Germany and SMIA contributing full year sales.

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 6.2%.

The division is focusing on adding new value added modules that require specialised 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. Since acquisition, SMP has been consistently growing as well as significant improvement in operating performance. SMP is making significant investments for meeting demands for new order received.

EBIT of 2014-15 was higher because of gain on settlement of insurance claim of Euro 5.11 million (₹ 396 million).

The strong performance of SMR and SMP is the result of an ongoing plan of operational improvements, a strengthening of relationship with the OEMs based on recent performance and the successful opening of new plants to service new orders.

Other subsidiaries:

Amount in Million

	Nature of business	Currency	Revenue 2015-16	Revenue 2014-15
MSSL Mideast (FZE) MSSL Holding:100% Location : Sharjah Free Trade Zone, UAE	Manufacturing of wiring harness for supplies to leading manufacturers of material handling equipment, construction equipment, agricultural machines, garbage handling trucks etc. as well to SMR.	EUR	44	40
MSSL (GB) LTD. MSSL Holding:100% Country: New Castle, UK	Wiring harness and related modules to niche segments in UK.	GBP	13	14
MSSL Wiring System MSSL Holding: 100% Acquired in August 2014 Country: USA (one manufacturing facility) and Mexico (four manufacturing facilities)	MSSL Wiring System along with four fellow subsidiaries in Mexico i.e. Alphabet de Mexico, S.A. de C.V., Alphabet de Mexico de Monclova, S.A. de C.V. and Alphabet de Saltillo, S.A. de C.V., MSSL Wiring Juarz, S.A. de C.V. has five manufacturing facilities, a warehouse, an engineering and administrative center and a new design and support office opened during FY 2015-16. It designs and manufactures wiring harness products for sale principally to the commercial, agricultural and off-highway vehicle markets, as well as assembles entire instrument panels that are configured specifically to an OEM customer's specifications in the commercial vehicle market.	USD	241	163

	Nature of business	Currency	Revenue 2015-16	Revenue 2014-15
Motherson Electrical Wires Lanka Private Limited MSSL Holding: 100% Country: Sri Lanka	Manufacturing wires for automotive applications. It supplies wires to different manufacturing locations of MSSL.	USD	19	22
MSSL Tooling (FZE) MSSL Holding: 100% Country: UAE	Manufacturing high quality plastic moulded components, injection moulded precision tool & plastic parts. The Company has also facilities for post moulding 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 industries.	Euro	8	8
MSSL Advanced Polymers s.r.o MSSL Holding: 100% Country: Czech Republic	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.	Euro	34	26
MSSL GmbH MSSL Holding: 100% Country: Germany	Supplies plastic components to Tier 1 customers and also acts as the holding Company and corporate office providing support to the European entities.	Euro	14	11
Motherson Orca Precision Technology GmbH MSSL Holding: 95.1% Country: Germany	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.	Euro	7	9
Motherson Techno Precision México, S.A. de C.V MSSL Holding: 95.1% Country: Mexico	Provides engineering, design and prototype services, mainly to wiring harnesses customers in Americas.	Euro	8	5
MSSL s.r.l. Unipersonale MSSL Holding: 100% Country: Italy	Provides engineering, design and prototype services, mainly to wiring harnesses customers in Europe.	Euro	0#	0#
Samvardhana Motherson Plastic Solutions GMBH & Co KG MSSL Holding: 100% Country: Italy	Provides engineering, design and prototype services, mainly to wiring harnesses customers in Europe.	Euro	22	14
MSSL Global RSA Module Engineering Ltd. MSSL Holding: 100% Country: South Africa	Manufacturing of moulded parts like bumpers, instrument panels, door trims, Interior Trims and fully robotic paint shop for painting body colour matched parts for leading OEMs.	ZAR	954	422

	Nature of business	Currency	Revenue 2015-16	Revenue 2014-15
MSSL Japan Limited MSSL Holding:100% Country: Japan	Supplies wiring harness for heavy commercial vehicles.	JPY	2,449	1,999
MSSL México, S.A. De C.V. MSSL Holding: 100% Country: Mexico	Supplies wiring harness within MSSL and to customers in local and USA market.	MXN	224	120
MSSL WH System (Thailand) Co. MSSL Holding: 100% Country: Thailand	Manufacturing of wiring harness for leading OEMs.	THB	387	176
MSSL Korea WH Ltd. MSSL Holding: 100% Country: Korea	Supply wiring harness in Korea.	KRW	1,860	1,423
Motherson Elastomer Pty Ltd MSSL Holding: 80% Country: Australia	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.	AUD	19	25
Global Environment Management MSSL Holding:78.82% Country: UAE and Australia	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.	AUD	0#	0#
Vacuform 2000 (Pty) Limited MSSL Holding: 51% Country: South Africa	Manufacturing of Vacuum-forming, thermo-formed products, polyurethane moulded products and blow moulded products majorly for automotive industry. The Company supplies components to all the leading automotive OEMs present in the region.	ZAR	126	107
Motherson Wiring System (FZE) MSSL Holding: 100% Country: UAE	Providing building on lease at UAE to Motherson group companies and receiving rental income for the same.	Euro	0#	0#
MSSL Ireland Pvt. Ltd. MSSL Holding: 100% Country: Ireland	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.	Euro	0#	0#
MSSL (S) Pte Ltd. MSSL Holding: 100% Country: Singapore	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.	SGD	1	1

	Nature of business	Currency	Revenue 2015-16	Revenue 2014-15
MSSL Australia Pty. Ltd. MSSL Holding: 80% Country: Australia	The Company is a holding company and corporate office providing support to the Australian entities.	AUD	-	-
MSSL Investment Pty. Ltd. MSSL Holding: 80% Country: Australia	Providing land and building on lease at Bendigo to its fellow subsidiary Motherson Elastomers Pty Ltd.	AUD	-	-
MSSL Mauritius Holdings Ltd. MSSL Holding: 100% Country: Mauritius	The Company is holding investments in MSSL Ireland Pvt. Limited, Global Environment Management (FZC), Samvardhana Motherson Global Holdings Ltd., MSSL Global RSA Module Engineering Limited and Vacuform 2000 (Pty) Limited.	Euro	5	2

Amount is below the rounding off norm adopted by the company

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

(Amount in ₹ Million)

Particulars	MSSL Holding	Capital Employed		Net Sales		Profit after tax		Capital Expenditure	
	2015-16	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Kyungshin Industrial Motherson Ltd.	50%	2,514	2,130	11,003	9,638	1,058	1091	42	42
Calsonic Kansei Motherson Auto Products Ltd.	49%	2,709	2,791	4,410	4,057	41	-289	296	296
Samvardhana Motherson Nippisun Technology Limited	49.50%	0	101	0	40	0	-72	21	21
Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd.	50%*	2,933	2,786	10,653	6,516	94	504	12	237
Celulosa Fabril S.A. (include its 100% subsidiary Modulos Rivera Alta S.L.U.)	50%**	3,758	3,243	8,081	7,861	973	786	94	581
Eissmann Automotive Slovensko s.r.o	49%**	556	413	3,071	3,024	(14)	170	175	440

*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)

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). 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.

The Company achieved growth in revenue of 14% at ₹ 11,003 million as compared to ₹ 9,638 million in the previous year. KIML is 100% supplier of wiring harnesses to Hyundai Motors India Ltd. since the inception.

Calsonic Kansei Motherson Auto Products Limited

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. The Company specializes in the manufacture of climate- control systems including HVAC modules, compressors, body control modules and meters clusters for the automotive industry.

The Company achieved revenue of ₹ 4,409 million as against ₹ 4,057 million in the previous year registering a strong growth of 9%.

RISK MANAGEMENT

The Company has a Risk Management Committee (RMC) of the Board to monitor and review the evaluation and mitigation of risk. The RMC formulated a Risk Management Policy for the Company which was approved by the Board. The policy outlines the risk management framework in the Company to help minimise the impact of uncertainty on the Company's strategic goals. The framework enables a structured and disciplined approach to risk management.

The Company is focused on the automotive industry, having operations spread in 25 countries as a 100% OEM supplier. The Company is therefore exposed to risks associated with global organisation and automotive industry in particular. The Company has set up a Risk Management Committee to review risks in the business and their mitigating factors assessed by the management. In India, the Company's wiring harness business is exposed to risks of copper fluctuations (being major raw material) and foreign currency fluctuations for its wiring harness business. The Company has pass-through arrangements with its customers to mitigate the risk of copper prices fluctuations. The Company follows mitigating currency risks by following policy of natural hedge by having manufacturing facilities in the same geography to mitigate the currency risk globally.

The Company's growth strategy and strategy of acquisitions is driven by customers and therefore minimizes the risks associated with inorganic growth.

Details about Risk Management Committee are set out in the Directors' Report, which forms part of this report.

INTERNAL CONTROL SYSTEMS

The Company has 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 unauthorised use, executing transactions with proper authorisation and ensuring compliance of corporate policies. The Company has appointed internal auditors to carry out both system and financial audit of its activities. The audit findings are reviewed by the Audit Committee in their meetings on regular intervals, 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 necessary procedures for mitigation of the same. Given the geographical spread of operations of the Company, the Company has devised adequate systems to ensure statutory compliances at each location and these compliances are monitored regularly.

Management has assessed the effectiveness of the Company's internal control over financial reporting (as defined in Clause 17 of SEBI Regulations 2015) as of March 31, 2016. The assessment involved self-review, industry review and external audit.

The statutory auditors of the Company has audited the financial statements included in this annual report and has issued an attestation report on our internal control over financial reporting (as defined in section 143 of Companies Act 2013).

HUMAN RESOURCE

For Motherson Sumi Systems Ltd. every employee is involved as "partners" in progress of the Company and its people are its biggest assets. The Company is proud to deliver value to its customers, investors and society as a whole. The real force behind the emergence of Motherson Sumi Systems Ltd. is its people, who combine to create a great synergy into the company pertaining to their contribution. MSSSL group is the melting point of people from various geographies & demographics & people having diverse skillsets, speaking different languages & having dissimilar backgrounds.

The Company regularly conducts trainings sessions & workshops for its employees from top to bottom to keep its employees well versed in their respective fields considering human resource development is one of the prime agenda for the Company. The move ensures improved performance, disciplined processes with better practices, which culminates into high quality end products resulting in customer satisfaction. Periodic skill enhancement activities combined with in-house training facilities are setup to recognize talent & nurturing them through mentorship & process specific trainings & modules. In order to promote, innovation in the processes & at workplace, Innovations Awards are awarded to the most Innovative Technical Paper among many.

All-round development of an individual is belief of the Company, therefore, regular synergy activities like Annual Cricket Tournament, Annual Painting Competition, InSync Quiz Competition along with

festival celebrations are organised at each unit after regular intervals to engage employees and provide them a level playing field to interact amongst fellow colleagues & their families. MSSL encourages its employees to share their feedback regarding any improvements in their respective processes or outside the ambit of their work under its Suggestion Scheme; a panel of experts review those ideas & if feasible implement them at the workplace. Relevant suggestions are rewarded. MSSL recognizes top performers in diverse fields & awards them at its Annual Day before all the employees to instill a sense of pride in them & encouraging others to perform.

Quality Circle Competition is a vital employee engagement activity where employees are encouraged to present their innovative project ideas, implementations & teamwork spirit. MSSL celebrates & rewards innovation, therefore, MSSL annually conducts Quality Circle Convention- a platform for all Quality Circles from across the world to showcase their ideas & projects.

Currently there are 858 Quality Circles actively operating within the Samvardhana Motherson Group. Total 1,216 quality projects were initiated in the quality circles with in the Samvardhana Motherson Group, out of which 205 projects were in Subsidiaries of MSSL. 445 quality projects were completed during the year. The Company has been awarded by following accreditations during the year.

- Spandana Quality Circle from MSSL Bengaluru - 1 was adjudged as Winners in All India Supplier's NH Competition (National Level) organised by Honda Motorcycle & Scooter India Pvt Ltd (HMSI) at Gurgaon on 29th September 2015.
- Spandana Quality Circle from MSSL Bengaluru - 1 was honored with "Plaque of Appreciation" and "Most Impressive Circle of the Convention" in 7th NH Circle India Convention organised by HMSI at Gurgaon on 7th November 2015.
- Kshitij Quality Circle from MSSL Faridabad won Gold Award in Delhi Chapter Convention organised by Quality Circle Forum of India (QCFI) at Faridabad on 31st October 2015.
- Prerna Quality Circle from MSSL Gurgaon won Gold Award in Delhi Chapter Convention organised by QCFI at Faridabad on 31st October 2015.
- Sparkle Quality Circle from MSSL Bengaluru - 2

won Gold Award in CCQC (Bengaluru Chapter) organised by Quality Circle Forum of India (QCFI) held at Bengaluru on 13th September 2015.

- Fortune Quality Circle from MSSL Bengaluru - 2 won Gold Award in CCQC (Bengaluru Chapter) organised by Quality Circle Forum of India (QCFI) held at Bengaluru on 13th September 2015.
- Sarvodaya Quality Circle from MSSL Bengaluru - 1 won Silver Award in CCQC (Bengaluru Chapter) organised by Quality Circle Forum of India (QCFI) held at Bengaluru on 13th September 2015.
- Creative Quality Circle from MSSL Bengaluru - 1 won Silver Award in CCQC (Bengaluru Chapter) organised by QCFI held at Bengaluru on 13th September 2015.
- Mind Spark Quality Circle from MSSL Pune (Marunji) won Gold Award in Pune Chapter Convention organised by QCFI at Pune on 11th July 2015.
- Sankalp Quality Circle from MSSL Pune (Hinjewadi) won Silver Award in Pune Chapter Convention organised by QCFI at Pune on 11th July 2015.
- Fortune Quality Circle from MSSL Bengaluru - 2 won Excellence Award in NCQC organised by QCFI at Chennai on 21st December 2015.
- Sparkle Quality Circle from MSSL Bengaluru - 2 won Excellence Award in NCQC organised by QCFI at Chennai on 21st December 2015.
- Quest Quality Circle from Bengaluru - 2 was honored with Gold Award in Regional Level Quality Circle Competition organised by Toyota Kirloskar Suppliers Association (TKSA) held at TKML on 28th January 2016.
- Quest Quality Circle from Bengaluru - 2 was honored with Gold Award in National Level Quality Circle Competition organised by Toyota Kirloskar Suppliers Association (TKSA) held at TKML on 10th March 2016.

The organisation adopts a number of welfare initiatives for its employees; health & eye checkup camps are conducted at all MSSL locations periodically to safeguard their health. Fire drills, safety workshops & other safety & security exercises are held to create awareness regarding safety & security amongst the responsible champions & employees. The Human Resource department also oversees CSR related activities like blood donation, blanket donation, tree plantation, promoting girl child

education etc. The Company has also partnered with an NGO to carry out social welfare.

ENVIRONMENT, HEALTH AND SAFETY (EHS)

MSSL carries out activities with due attention to Environment, Health & Safety. The Company focuses on environmental protection, occupational health and safety and strives for continual improvement in all the three parameters. MSSL complies with regulations, advocates for progressive environmental policies, and protects workers' safety as part of its corporate responsibility.

The Company recognises its corporate responsibility to carry out its operations whilst minimizing the impact on the environment. It also aims to comply with all applicable environmental legislation to prevent pollution and to minimise environmental damage occurring as a result of its activities.

There are safety trainings and workshop undertaken by the organisation for all its employees regularly and at ongoing basis. The trainings aim to educate the employees and raise awareness in employees about the importance of their safety and about the various safety programs and policies of the organisation. At the operational level, 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 organisation, MSSL takes the responsibility of creating a positive impact on the communities where it does business across the globe where it has its footprints.

Every year MSSL observes a Safety Week. This year it was from 4th to 10th March 2016 across all its units. This is in line with its commitment to the health and safety of employees. The main objective of the week was to "Make the workplace Safe, Secure & Injury Free". This year, 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. 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.

MSSL provides education and helpful tips for Fire Safety and individual safe work practices. This provides an additional layer to ensure that campus facilities are as safe as possible for every employee. 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 lays emphasis on safety management, employee training, and injury prevention. The teams are developed and they implement various health programs to provide employees with relevant and clear safe work procedures and trainings to comply with safety regulations.

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 organic waste at home. The product helps the average household divert 50% of its waste away from landfill, into compost.

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.

MSSL is trying to continuously meet new challenges posed in this area, creating systems to better deal with issues related to Environment, Health and Safety on priority basis in its every day functioning.

OPPORTUNITIES AND FUTURE PROSPECTS

Despite ongoing political and partial economic troubles in the European Union, West Europe, together with the U.S., will build the fundamentals for solid global demand growth in 2016.

1. Global auto sales growth is expected to peak, as the average car age is rising and is at a record high in the United States and in Europe.
2. The SUV segment is expected to accelerate, growing in double digits.
3. Mobility will be in the limelight as volume original equipment manufacturers (OEMs) increasingly invest in mobility services, moving toward a car-as-a-service (CaaS) model.

The main challenge is that the global automotive market is uneven. Volumes across North America remain on target to climb to record highs in 2016, led by double-digit gains in Mexico. MSSL is benefitting from the positive growth in the US market. It is coming up with several new facilities to cater to its customer requirements there and well as upgrading some of its facilities which will improve operating performance. MSSL acquired wiring harness business in USA in previous year and in this year SMR & SMP have started construction of manufacturing plants in USA and Mexico. The plants will start giving commercial production from this financial year.

The Company has also raised funds in USD in order to grow its footprints in the American market easily and steadily.

The outlook in a few pockets is a little weak. The Indian market's performance has been inconsistent but the trend is positive.

However, most original equipment manufacturers (OEMs) are betting big on future demand, and hence, continue to ramp up. MSSL is at an advantageous position to convert this trend into an opportunity with its reputation of having the ability to serve its customers in every way possible right from the designing and development phase, which places it as a preferred supplier for its OEMs. The wide global spread across 25 countries helps it cater to its customer needs locally. MSSL is coming up with 17 plants across Europe, Asia, North America and China which helps it to be prepared to serve its customers locally. This also allows MSSL to capitalize on the changing trends in the global automotive space.

MSSL completed its fourth Five Year Plan surpassing its revenue targets consistently. This has been possible with support from the customers who have asked MSSL to do more. MSSL always works with value creation logic. It's a strategy 'chakra' that the Company will continue to follow even for the new 2020 targets.

It starts with a purpose - The purpose to be part of the world's most admired automotive brands. MSSL achieves this purpose with its consistent outstanding performance. This is the basis of the success of the Company. The Company focuses on QCDDMSES in all its operations. This coupled with vertical integration and full system integration makes it a full systems solutions provider across its product verticals.

This relentless focus on quality across all sections of business builds on the customers trust in MSSL. This is the key to its success. It opens up path for more collaborations and organic and inorganic growth. Trust leads to customer response of asking Motherson to do more. This is a virtuous circle and this chakra creates direct value for MSSL's customers and all its stakeholders.

Vision 2020

This year, MSSL launches its fifth five-year plan. The five-year plan is an important tool for MSSL, to bring together the entire organisation and to focus on a common goal. Vision 2020 contains four key objectives, namely to achieve:

- US\$ 18 billion of consolidated revenues in 2020
- a ROCE of 40% by
- "3Cx15" (no Component, Customer or Country to represent more than 15% of turnover)
- A dividend pay-out of 40% of our consolidated profits

While setting goals, MSSL does not forget that the only way to reach them is to create superior value for its customers, investors, employees and communities it works in. The financial outcome is always the result of being of great value to others. MSSL is confident it can continue to do that, even far beyond 2020.

MSSL would continue to focus on increasing the content per car. 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 Samvardhana Motherson Group's growth strategy.

Business Responsibility Report

Section A: General Information about the Company

General information about the Company		Details
1	Corporate Identity Number (CIN) of the Company	L34300DL1986PLC026431*
2	Name of the Company	Motherson Sumi Systems Limited
3	Registered address	2 nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estates, Mathura Road, New Delhi 110044 *
4	Website	www.motherson.com
5	E-mail id	investorrelations@motherson.com
6	Financial year reported	2015-16
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	
	Name and description of main product/services	NIC Code of the product / service
	Wiring harness and components	29304
	Polymer products	29302
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Wiring harnesses Rear view mirrors Polymers and modules
9	Total number of locations where business activity is undertaken by the Company	
	i. Number of international locations	International: 24 Countries Europe 11 Americas 3 Asia 7 Australia 1 Africa 2
	ii. Number of national locations	Domestic: Across India
10	Markets served by the Company – Local/ State/ National/ International	Europe, Americas, Asia, Australia, Africa

*The Company had filed Application in respect of transfer of its Registered Office from the NCT of Delhi to the state of Maharashtra before the Regional Director, North. The matter was heard on July 4, 2016 and for which Order is awaited. New address of the Registered Office and revised CIN will be mentioned in the Notice for calling the AGM.

Section B: Financial Details of the Company

Financial details of the Company		FY 2015-16 Standalone ₹ in million	FY 2015-16 Consolidated ₹ in million
1	Paid up Capital	1,323	1,323
2	Total Turnover	55,203	387,161
	(a) Revenue from operations (net of excise duty)	53,120	383,952
	(b) Other income	2,083	3,209
3	Total Profit After Taxes	7,119	12,737

4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):**
0.33% (₹ 22.59 million) of average profit for previous three years in respect of standalone Motherson (computation as prescribed by the Companies Act, 2013).

5. **List of activities in which expenditure in 4 above has been incurred:**

- Skill Development
- Health and wellness
- Waste management & sanitation

Section C: Other Details

Other details		Details
1	Does the Company have any Subsidiary Company/Companies?	Yes
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s)	Yes, all the subsidiaries (in total 95) participate in BR activities.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the % of such entity/entities? [Less than 30%, 30-60%, More than 60%]	All our customers are Original Equipment Manufacturers (OEMs) and as per our understanding & information, all of them have their own BR initiatives. Suppliers are encouraged to participate in the Company's BR initiatives being a responsible business.

Section D: BR Information

1. DETAILS OF DIRECTOR/DIRECTORS RESPONSIBLE FOR BR

a) Details of the Director/Directors responsible for implementation of the BR policy/policies

DIN Number	DIN 00194931
Name	Mr. Pankaj Mital
Designation	Whole time Director/ Chief Operating Officer

b) Details of BR head

DIN Number (if applicable)	N.A
Name	Mr. G. N. Gauba
Designation	Chief Financial Officer & Company Secretary
Telephone number	+91-120-6679500
e-mail id	investorrelations@motherson.com

LIST OF PRINCIPLES

Principle 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
Principle 3	Businesses should promote the wellbeing of all employees
Principle 4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
Principle 5	Businesses should respect and promote human rights
Principle 6	Business should respect, protect, and make efforts to restore the environment
Principle 7	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner
Principle 8	Businesses should support inclusive growth and equitable development
Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

2. PRINCIPLE-WISE (AS PER NATIONAL VOLUNTARY GUIDELINES) BUSINESS RESPONSIBILITY POLICY/ POLICIES (REPLY IN Y/N)

S. No.	Question	Principle (Yes/No)								
		1	2	3	4	5	6	7	8	9
1	Do you have a policy for..	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national /international standards? If yes, specify?	N	N	N	N	N	N	N	N	N
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	N	N	N	N	N	N	N	N	N
6	Indicate the link for the policy to be viewed online?	http://www.motherson.com/corporate-governance.html								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

2A. IF ANSWER TO S.NO. 1 AGAINST ANY PRINCIPLE, IS 'NO', PLEASE EXPLAIN WHY:

(TICK UP TO 2 OPTIONS)

S. No.	Question	Principle (Yes/No)								
		1	2	3	4	5	6	7	8	9
1	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

3. GOVERNANCE RELATED TO BR

1. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The Chief Operating officers of the respective divisions periodically review the BR performance of the Company. The action points emerge from the discussions at these meetings are reviewed in subsequent meetings to ensure their closure.

Besides, the CSR Committee of the Board reviews the Social (CSR) performance of the Company as per the Companies Act, 2013.

2. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company is in process of formalising sustainability report for publishing.

Section E: Principle-Wise Performance

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/ NGOs /Others?

The Company's Code of Conduct and Ethics ensure compliance to the Company's standards of business conduct and ethics and regulatory requirements, it is available on the intranet and on the Company's webpage. All the group companies are covered by the Code of Conduct. Code of conduct forms part of term of appointment letter and is sign at the time of joining the Company. The middle and senior management sign the Code of Conduct every year. The Company has in place a Whistle Blower Policy and is communicated through various means including publication on the Company's website.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

No complaints was received during the year 2015-16, from any stakeholder.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

- Wiring harnesses
- Super slim copper cables
- Compressed ultra slim copper cables

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- A. Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain?

- B. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The wiring harness for the vehicles, transmitting power and signals to electric equipment, has the tendency to increase its size and weight due to the growth of new equipment and electric systems. On the other hand, considering environmental impacts, the weight and physical size reduction is required for vehicle compactness and fuel efficiency.

MSSL applies very thin walled cables, power distribution modules, electronic junction boxes and other weight and size reduction techniques to the wiring technology for automobiles to provide safe, comfortable and environment-friendly products for the vehicles. The optimized designs and technologies resulted in saving of raw materials and power consumption, directly at MSSL and indirectly in entire supply chain.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

- Yes

- A. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Sustainable sourcing describes a sourcing exercise which goes beyond economic considerations and takes into account environmental, social and ethical factors as well. It is a widely practiced tool within Motherson and the endeavour is to maximise its reach with every passing year. Motherson has a stated environment policy and an occupation health and safety policy. The vendors have to ensure compliance to these policies. It covers various issues like health of their workers deployed, safety measures adopted, discharge from equipment, hygiene norms etc. The adherence to the policy is inspected periodically and actions are taken on the deviations if any.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company undertakes initiatives to build

capacities of the suppliers. In the current year, the Company strengthened efforts towards quality across the value chain. Several initiatives were taken in this direction. The Company keeps on developing local vendors, the Company's Quality teams visit their facilities, analyse quality related aspects, and create action plans jointly with the suppliers, customers and monitored performance. The Company supports suppliers with knowledge in specific areas that have a major impact on quality. During the year, training sessions were conducted for vendor personnel to share best practices in quality systems and manufacturing processes.

- 5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

The nature of the Company's business is such that there are no significant emissions or process wastes. The focus of the Company is to recycle the waste. The Company recycle materials wherever it is usable within the Company, which cannot be reused is disposed off in a manner that waste will be recycled.

PRINCIPLE 3: BUSINESSES SHOULD PROMOTE THE WELLBEING OF ALL EMPLOYEES

- 1. Please indicate the total number of employees.**

The total number of employees was 64,494 as on March 31, 2016 in the Company (including its Subsidiaries).

- 2. Please indicate the total number of employees hired on temporary/ contractual/casual basis.**

The total contractual/temporary manpower employed was 36,492 as on March 31, 2016 in the Company (including its Subsidiaries).

- 3. Please indicate the number of permanent women employees.**

There were 9,222 permanent female employees as on March 31, 2016 in the Company (including its Subsidiaries).

- 4. Please indicate the number of permanent employees with disabilities.**

There were 542 permanent employees with disabilities as on March 31, 2016 in the Company (including its Subsidiaries).

- 5. Do you have an employee association that is**

recognised by management?

Motherson group has proactive HR practices and policies and has participation of work councils and associations in different locations.

- 6. What percentage of your permanent employees is members of this recognised employee association?**

14.3%

- 7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

S.No	Category	No. of complaints filed during the financial year	No. of complaints pending as on March 31, 2016
1	Child labour/ forced labour/ involuntary labour	Nil	Nil
2	Sexual harassment	5	2
3	Discriminatory employment	1	Nil

- 8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

Permanent Employees	49%
Permanent Women Employees	53%
Casual/Temporary/Contractual Employees	17%
Employees with Disabilities	23%

Safety training is a part of the induction process and all employees mandatorily go through one day safety training, including firefighting training. For shop floor workers, periodic safety training is organised as per the annual safety calendar.

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALISED.

- 1. Has the Company mapped its internal and external stakeholders? Yes/No - Yes**

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders? - Yes

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.

For socio-economically disadvantaged sections of the society, the Company is implementing following three CSR programmes:

a) Skill Development

The Company engages with the communities regularly and implements development programmes (such as education for poor people in rural locations). These issues are critical to the community members. There is concerted efforts to involve the community's participation in the programmes, wherever feasible.

b) Health and wellness

The Company is working on issues of water and sanitation, education and rural development. The Company has setup facilities like water purifier in the rural location as well as the Company creates awareness among people about sanitation and clean water for their better health. The Company is enhancing infrastructure across business locations in rural areas for the health and ease of life for the people. For the good health of people, the Company organises blood donation camps and health check-up camps regularly.

c) Waste management & sanitation

Motherson has initiated training for the use of Aerobins. Aerobin is a home and garden containment system which enables households to divert all organic kitchen and garden recyclable materials away from landfill. Instead, the resulting compost can be added to garden soil to complete the natural carbon cycle, thereby avoiding the generation of greenhouse gases in the collection, transportation and anaerobic decomposition that would otherwise occur at landfill. Aerobin incorporates patented technology that supports a healthy aerobic decomposition of the biomass materials without the need for manual intervention. The patented aeration system along with integral insulation ensures that composting happens year round, even in cold climates. This technology can contribute enormously to the wellbeing of communities through a cleaner environment and pollution reduction in a simple, easily adoptable way.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs/ Others?

The policy is applicable to Motherson, its subsidiaries and vendors. The Company's commitment to follow the basic principles of human rights is reflected in the checks and balances within the HR processes. The commitment to human rights is embedded in the 'MSSL Code of Conduct', adopted by the Company. All employees, including security personnel, are sensitised to human rights as part of their orientation programme.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The Company did not receive any stakeholder complaint in 2015-16 regarding human rights.

PRINCIPLE 6: BUSINESS SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others.

Environmental Policy is applicable to all the business units/groups and extends to business partners including suppliers, vendors and contractors.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes, the Company has an 'Environment Policy' which guides the organisation to continually mitigate the impact on climate change and global warming as a result of our operations. The Company works continuously to reduce the waste and focused on creating green infrastructure which are designed for better energy efficiency and efficient operations.

Refer Directors' Report for details in relation to environment conservation and technology absorption.

3. Does the company identify and assess potential environmental risks?

Yes, potential environmental risks are identified as

a part of the Company's risk management activity and feature in the Company's risk library. The Company regularly reviews its environmental risks and undertakes initiatives to mitigate them.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

Most of the locations in India are certified for requirements under ISO 14001 (Environmental Management System) and OHSAS 18001 (Occupational Health and Safety System). Audits by independent auditors are carried out to check the level of compliance. Deviation management system ensures that the corrective actions are close looped and issues are addressed within a reasonable time frame. Environment, Health and Safety (EHS) performance assessment is carried out annually to review the situation and identify the areas for improvement. Objectives are established for the next year and improvement programs are prepared and deployed.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Covered under Directors' Report, which forms a part of the Annual Report

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

All emissions and waste generated by the Company are within the permissible limits given by CPCB/SPCB.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

- None

PRINCIPLE 7: BUSINESSES WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

1. Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with:

Motherson regularly engages with industry bodies,

expert agencies and contributes to the policy making process. An indicative list of the Company's major memberships is:

- a. Automotive Component Manufactures Association of India (ACMA)
- b. Indo German Chamber Of Commerce
- c. The Associated Chambers of Commerce & Industry of India
- d. Motor & Equipment Manufacturers Association (USA)
- e. Confederation of Indian Industry

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas.

No

PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

1. Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company supports inclusive growth and equitable development through its Corporate Social Responsibility (CSR) programmes. Details on the same have been shared in Principle 4.

The Company has aligned its CSR programmes with the requirements of new Companies Law 2013. The Company has set up a three members CSR Committee of the Board. The Company's CSR Policy has been approved by the CSR Committee and the Board (www.motherson.com/corporate-social-responsibility.html). The CSR programmes are mentioned in the CSR policy.

2. Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/ government structures/any other organisation?

The CSR programmes of the Company are run through NGO partners and other agencies having subject expertise.

3. Have you done any impact assessment of your initiative?

The CSR programmes and their impacts/ outcomes are monitored and reviewed by the CSR Committee periodically.

4. What is your Company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken.

Details on the Company's CSR programmes on community development have been shared in Principle 4, question 3.

In 2015-16, the Company spent ₹ 22.59 million on CSR initiatives which included ₹ 20.87 million on community development projects.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes. Initiatives conducted under CSR are tracked to determine the outcomes achieved and the benefits to the community. Internal tracking mechanisms are regularly carried out. The Company has engaged highly trained employees to drive and monitor the CSR activities.

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

The Company has a robust system for addressing customer complaints. The customer cases filed

against the Company for defects in the vehicles or relating to sales are not significant in number compared with annual sales volume.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks(additional information)

Not applicable as the Company supplies to Original Equipment Manufacturers (OEMs) and there is no direct visibility for the end user.

3. Did your Company carry out any consumer survey/ consumer satisfaction trends?

The Company receives numerous customer awards for contribution to their business such as quality excellence, design development, best performance etc. which represents customer satisfactions. Awards are mentioned in details in "Awards and Recognition" of the annual report.

4. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No court case has been filed against the Company regarding unfair trade practices or irresponsible advertising against the Company.

Directors' Report

To the members,

Your Directors have the pleasure in presenting the **29th Annual Report** together with the audited financial statements of the Company for the financial year ended March 31, 2016.

Financial Results

The summarized financial results for the year ended March 31, 2016 and for the previous year ended March 31, 2015 are as follows:

₹ in Million

Particulars	Standalone		Consolidated	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Gross Revenue from operations	59,009	54,811	391,102	352,665
Net Revenue from operations	53,120	49,850	383,952	346,731
Other Income	2,083	858	3,209	3,764
Profit before depreciation, interest and tax	11,685	9,612	37,752	32,203
Less: Depreciation and amortisation exp.	2,008	2,071	11,357	9,206
Less: Finance Costs	222	303	2,706	3,178
Less: Exceptional Expenses	--	--	291	1,648
Add: Share of profit / (loss) in associates	--	--	(2)	4
Profit Before Tax	9,455	7,238	23,396	18,175
Less: Provision for Tax	2,336	2,089	5,836	5,256
Less: Minority Interest	--	--	4,823	4,294
Profit after tax	7,119	5,149	12,737	8,625
Add: Balance brought forward	11,628	9,776	20,231	15,003
Profit available for appropriation	18,747	14,925	32,968	23,628

Operations and Performance

On consolidated basis for the year 2015-16, your company achieved total revenue of ₹ 383,952 million resulting in a growth of about 11% over its revenue of ₹ 346,731 million of the previous financial year ended March 31, 2015. Net profit for the year at ₹ 12,737 million was higher by 48% over the previous year's net profit of ₹ 8,625 million.

On standalone basis for the year 2015-16, your company achieved total revenue of ₹ 53,120 million resulting in a growth of about 7% over its total revenue of ₹ 49,850 million of the previous financial year ended March 31, 2015. The profit after tax for the year ended March, 2016 at ₹ 7,119 million was higher by 38% from the previous financial year ended March 31, 2015 at ₹ 5,149 million.

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

Share Capital

During the year, your Company has issued 440,959,680 equity shares of face value of ₹ 1/- each on account of the issue of Bonus Shares in the ratio of one share against two shares held.

After the allotment of Bonus Shares, the paid-up capital of the Company has been increased to ₹ 1,322,879,040/- divided into 1,322,879,040 equity shares of ₹ 1/- each.

Dividend

On March 16, 2016, the Board of Directors announced an interim dividend of ₹ 2.50 (250%) per equity share for the Financial Year 2015-16, entailing a pay-out of ₹ 3,926 million (including dividend tax) i.e. 55% of the standalone profits of the Company and 30% of the consolidated profits of the Company.

The interim dividend has been paid to all the eligible shareholders and be taken as final dividend for the financial year 2015-16.

Credit Rating

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

CRISIL has assigned its Corporate Credit Rating of 'CCR AA-' and a short term rating of 'CRISIL A1+' for its Commercial Paper Program of ₹ 1,500 million.

During the year ICRA upgraded long terms rating to [ICRA]AA from [ICRA]AA- and short term rating to [ICRA]A1+ from [ICRA]A1 for ₹ 11,451 million Line of Credit (LOC).

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

Your Directors have the pleasure in attaching the consolidated financial statements which form a part of the Annual Report. These consolidated financial statements are prepared 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.

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

Subsidiaries, Joint Ventures and Associate Companies

During the year under review, details of the companies which have either become or have ceased to be Company's subsidiaries, joint ventures or associate companies are as following :

1. The following Companies which have been incorporated during the year as subsidiaries during the financial year 2015-16 :
 - SMP Automotive Systems Alabama Inc.
 - Motherson Innovations Company Limited
 - Motherson Innovations Deutschland GmbH
 - Samvardhana Motherson Global (FZE)
2. The following companies have ceased to be subsidiaries of the company on account of merger with Samvardhana Motherson Innovative Autosystems de México, S.A. de C.V. during the financial year 2015-16 :
 - Samvardhana Motherson Real Estate Unit de México, S.A. de C.V.
 - SMIA de México Administrative Services, S.A. de C.V.
3. The company has exited from its joint venture with WOCO Franz Josef Wolf Holding GmbH during the financial year 2015-16 and as a consequence the following companies have ceased to be joint venture :
 - Woco Motherson Elastomer Ltd.
 - Woco Motherson Advanced Rubber Technologies Ltd.
 - Woco Motherson Limited (FZC)

In accordance with section 129(3) of the Companies Act, 2013, we have prepared consolidated financial statements of the Company including its subsidiaries, associate and joint venture companies, which form part of the Annual Report. Further, a statement containing salient features of the financial statement of the Company's subsidiaries, associate and joint venture companies in Form AOC-1, which form a part of the Annual Report.

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 ₹ 7,746 million as against ₹ 7,412 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 globally, to provide service to the customers as well as enhance customer relationships.

Post Balance Sheet Event

Samvardhana Motherson Automotive Systems Group B.V. (SMRP BV), a subsidiary of the Company has successfully completed its issue of Bonds third time and the same are listed on the Irish Stock Exchange. On June 16, 2016, SMRP BV has issued U.S.\$ 300 million 5.5-year non-call 3 year senior secured Notes offering at 4.875% per annum, due on December 2021 (the 2016 Notes). The 2016 Notes have been rated BB+ by S&P and are jointly and severally guaranteed on a senior secured basis by certain of its subsidiaries.

The proceeds from the issuance of the 2016 Notes will be utilised to repay existing third party indebtedness and for general corporate purposes, including to make certain capital expenditures.

Directors and Key Managerial Personnel

During the year Maj. Gen. Amarjit Singh (Retd.), Independent Director has resigned from the Directorship of the Company w.e.f. July 28, 2015. The Board, while accepting the resignation placed on record the contribution made by Maj. Gen Amarjit Singh (Retd) during his long tenure as Board member since 2003.

The Board appointed Mr. Naveen Ganzu as an Additional Director (Independent category) of the Company w.e.f. October 14, 2015. Detailed profile of Mr. Ganzu is given in Notice of the ensuing General meeting, seeking to appoint him as Independent Director for a period of 5 years.

As per provisions of the Companies Act 2013, Ms. Noriyo Nakamura, 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 her re-appointment.

Brief resume of the above Directors, nature of their expertise in functional areas and the name of the public companies in which they hold the Directorship and the Chairmanship/Membership of the Committees of the Board, as stipulated under SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations"), 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 SEBI Listing Regulations.

Pursuant to the provision of Section 203 of the Companies Act, 2013, Mr. Pankaj Mital as whole-time Director and Mr. G.N. Gauba as Chief Financial Officer & Company Secretary are Key Managerial Personnel of the Company. There has been no change in the Key Managerial Personnel during the year.

Board Evaluation

The Board has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and the Corporate Governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations").

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its

committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

Policy on Directors' appointment and remuneration

The policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178 of the Companies Act, 2013, adopted by the Board are covered in Corporate Governance Report which forms part of this Report.

Directors' responsibility statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013 and subject to disclosures in the Annual Accounts, Your Directors state as under :-

- a) That in the preparation of the annual accounts for the financial year ended 31st March, 2016, the applicable Accounting Standards have been followed and there are no material departures.
- b) That the Directors have selected appropriate Accounting Policies and applied them consistently and made judgment and estimates that are 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 31st March, 2016 and of the profit of the Company for that period.
- 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, 2013 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.
- e) That the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- f) That the Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Auditors and Auditors' Report

Statutory Auditors

At the Annual General Meeting held on August 25, 2014 M/s. Price Waterhouse Chartered Accountants LLP, [(M/s. Price Waterhouse converted into a Limited Liability Partnership (LLP)], were appointed as Statutory auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the year 2017. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly the appointment of M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No.- 012754N/N500016), as statutory auditors of the Company, is placed for ratification to the shareholders.

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. The Auditors' Report does not contain any qualification, reservation or adverse remark.

Further, during the year, in the course of the performance of their duties as auditor, no fraud were reported by them which they have reason to believe that an offence involving fraud has been committed against the Company by officers or employees of the Company.

Cost Auditor

The Board of Directors has appointed M/s. M.R. Vyas and Associates, Cost and Management Accountants as Cost Auditor for conducting the audit of cost records of the Company for the financial year 2015-16.

Secretarial Auditor

The Board of Directors has appointed M/s. SGS Associates, Company Secretaries in practice to conduct Secretarial Audit for the financial year 2015-16.

The Secretarial Audit Report for the financial year ended March 31, 2016 is annexed herewith which form a part of this Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Audit Committee

The Audit Committee comprises Mr. S.C. Tripathi, IAS (Retd.) (Chairman), Mr. Arjun Puri, Mr. Gautam Mukherjee, Ms. Geeta Mathur as Independent Directors and Mr. Toshimi Shirakawa, Mr. Laksh Vaaman Sehgal as other Members.

Awards & Recognitions

During the year, the Company received various awards and recognitions, which have been mentioned in 'awards and recognition' section, forming parts of annual report.

Number of Meetings of the Board

The Board of Directors met eight times during the financial year 2015-16, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

Particulars of Loans given, Investment made, Guarantee given and Securities provided

Particulars of loans given, investment made, guarantees given and securities provided along with the purpose for which loan or guarantee or security is proposed to be utilized by the recipient are provided in the standalone financial statement (please refer to Note 13, 15, 17, 21 and 33 to the standalone financial statement).

Particulars of contracts or arrangements with related parties

All contracts/ arrangements/ transactions entered by the Company during financial year with related parties were on arm's length basis and were in the ordinary course of business. During the year, the Company had not entered into any contract / arrangement/ transaction with related parties which could be considered material for which shareholders' approval is required in accordance with the policy of the Company on materiality of related party transactions. Thus provisions of Section 188(1) of the Companies Act, 2013 are not applicable to the Company.

As per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015, all Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus

approval of the Audit Committee has obtained for the transactions which are of foreseen and repetitive in nature. The transactions entered into pursuant to the omnibus approval are presented to the Audit Committee by way of a statement giving details of all related party transactions.

The Company has developed a Related Party Transactions Manual, Standard Operating Procedures for purpose of identification and monitoring of such transactions.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

Your Directors draw attention of the members to Note 46 to the financial statement which sets out related party disclosures.

Energy conservation, technology absorption and foreign exchange earnings and outgo

Information under section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of Companies (Accounts) Rules, 2014 is given in Annexure-A to this Report.

Particulars of employees and related disclosures

Disclosure pertaining to remuneration and other details as required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in this Report as Annexure –B.

The Statement containing particulars of employees as required under section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014 is provided in a separate annexure forming part of this report. Further in terms of Section 136 of the Act, the Report and accounts are being sent to the members excluding the aforesaid annexure. The said annexure is available for inspection at the registered office of the Company during the working hours and any member interested in obtaining a copy of the same may write to the Company Secretary and the same will be furnished on request.

Corporate Governance

Your Company has taken adequate steps to ensure compliance with the provisions of Corporate Governance as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges.

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 SEBI Listing Regulations, is included in the Annual Report.

Listing of Equity Shares

Equity shares of your Company are listed presently at National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The listing fees for the year 2016-17 have been paid to the said Stock Exchanges.

Equity shares of your Company were also listed with Delhi Stock Exchange Limited (DSE) and Ahmedabad Stock Exchange Limited (ASE). Since there was no trading of the Company's shares in DSE and ASE for last several years and considering the fact that the investors have access to online dealings with the Company's shares across the country through the extensive networking of NSE and BSE, accordingly, the Company had filed application for voluntarily delisting of its equity shares from DSE and ASE under Clause 6(A) of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulation, 2009.

The Company has received approval from ASE for voluntary delisting of its shares. Since the Securities and Exchange Board of India (SEBI) vide its order dated November, 19, 2014 has withdrawn the recognition granted to DSE, therefore shares of your Company deemed to be delisted from DSE. The Company's shares, however, continue to remain listed on NSE and BSE.

Internal Control

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

Details about Internal controls are set out in the Management Discussion & Analysis Report which forms part of this report.

Risk Management

The board of directors of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company.

The development and implementation of risk management policy has been covered in the Management Discussion and Analysis, which forms part of this report.

Significant and material orders passed by the Regulators or Courts

There are no significant material orders passed by the Regulators / Courts which impact the going concern status of the Company and its future operations.

Shifting of the Registered Office of the Company

The Company decided to shift its Registered Office from New Delhi to Mumbai. Accordingly, shareholders of the Company have passed special resolution through postal ballot, as per result declared on March 28, 2016 in term of requirement under Section 110 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 for shifting of the Registered Office of the Company from the Union Territory of Delhi to the State of Maharashtra.

Further, the Company had filed Application in respect of transfer of its Registered Office from the NCT of Delhi to the state of Maharashtra before the Regional Director, Northern Region. The matter was heard on July 4, 2016 and the order is awaited.

Corporate Social Responsibility (CSR)

In accordance with the requirements of Section 135 of the Companies Act, 2013, your Company has a Corporate Social Responsibility (CSR) Committee. The CSR Committee comprises of Mr. V. C. Sehgal (Chairman), Mr. Arjun Puri, Independent Director and Mr. Laksh Vaaman Sehgal, Non-executive Director.

The terms of reference of the Corporate Social Responsibility (CSR) Committee is provided in the Corporate Governance Report. Your Company has also formulated a Corporate Social Responsibility Policy (CSR Policy) which is available on the website of the Company at <http://www.motherson.com/investor-overview.html>.

Annual report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been appended as Annexure –“C” and forms integral part of this Report.

Further the Company would focus CSR activities in the following area :

- Skill Development
- Kitchen to Garden Program for Aerobins
- Waste management & sanitation
- Health and wellness

The Company is also proposing for CSR activities through Foundation / Trust which will be established by Group promoter and Associate Company for CSR activities at group level.

Vigil Mechanism/ Whistle Blower Policy

The Company has established a vigil mechanism (which incorporates a whistle blower policy in terms of listing agreement) for Directors and employees to report their genuine concerns. The objective of the Policy is to create a window for any person who observes an unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct or ethics policy (hereinafter "Unethical and Improper Practices"), either organizationally or individually to be able to raise it. Thought Arbitrage Consultancy has been appointed by the Board of Directors as an independent external ombudsman under this Whistle-blower mechanism.

Protected Disclosure can be made by a Whistle Blower through an email, or dedicated telephone line or a letter to the Thought Arbitrage Consultancy or to the Ethics Officer. All protected disclosure concerning financial / accounting matters and complaints pertaining to "C" level officers / KMP can be addressed to Chairman of the Audit Committee for Investigation. Other details of the policy on Whistle Blower as approved by the Board is uploaded on the Company's website.

Extract of the Annual Return

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the annual return in Form MGT-9 is annexed herewith as Annexure -D 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.

Acknowledgment

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 5, 2016

V. C. Sehgal
Chairman

ANNEXURE – A

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

Information regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo Pursuant to section 134(3)(m) of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014 and forming part of Directors' Report.

A. Conservation of energy

a) Steps taken or impact on conservation of energy:

The Company has constantly been emphasizing an 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 in security Gate / area,
- 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 optimize on Air Conditioner usage in office & Conference rooms,
- Usage of LED lights 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,
- 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,
- Creating awareness amongst associates on energy conservation through campaigns and events,
- Servo driven pumping system retrofits to save the energy consumption of injection / blow moulding machine.

b) Steps taken by the company for utilizing alternate source of energy:

- The Company is working on to install roof type solar plants of capacity 100 kw each in its manufacturing units in addition to solar operated security lights.
- In all new locations solar plants feasibility will be studied in set up planning.
- In process to explore the use of PNG in lieu of Diesel in Gen-sets.

c) Capital investment on energy conservation equipment:

- Solar panels have been installed for Security lighting in new plant.
- Variable drive Air compressors have been installed in MAE-Chennai to save power consumption.

B. Technology absorption

The following efforts are being made in technology absorption:

Research & Development (R&D)

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

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

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

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

3. Future plan of action

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

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

4. Expenditure incurred on R&D

- | | | |
|-----------------------------|------------------------|--------------|
| a) Capital | : | ₹ 4 million |
| b) Revenue | : | ₹182 million |
| c) Total | : | ₹186 million |
| d) Total R&D expenditure is | 0.35% of the turnover. | |

Technology absorption, adaptation and innovation

The Company has constantly been emphasizing on using the latest technologies for improving the productivity and quality of its services and products.

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 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; 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.

1. Efforts made towards technology absorption:

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.

2. Benefits derived like product improvement, cost reduction, product development or import substitution:

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.

3. Imported Technology :

The Company has implemented the latest processes and techniques in its manufacturing and design facilities.

C. Foreign exchange earnings and outgo during the year

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 ₹ 7,746 million.

2. Total foreign exchange earned and outgo

Particulars	(₹ in Million)
a. Total Foreign exchange earned in terms of actual inflows	8,710
b. Total Foreign exchange outgo in terms of actual outflows	20,222

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 5, 2016

V. C. Sehgal
Chairman

ANNEXURE – B

Particulars of Employees and other related disclosures

Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- a) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

Non- Executive directors	Ratio to median remuneration *
Mr. Vivek Chaand Sehgal	--
Mr. Sushil Chandra Tripathi, IAS (Retd.)	--
Mr. Toshimi Shirakawa	--
Mr. Arjun Puri	--
Mr. Gautam Mukherjee	--
Ms. Geeta Mathur	--
Mr. Naveen Ganzu	--
Ms. Noriyo Nakamura	--
Mr. Laksh Vaaman Sehgal	--

* Non- Executive Directors other than Independent Directors do not receive any remuneration, sitting fees, or commission from the company. Sitting fees and commission are paid to the Independent Directors only.

Executive directors	Ratio to median remuneration
Mr. Pankaj Mital	67.47

- b) The percentage increase in remuneration of each Director, Chief Financial Officer & Company Secretary in the financial year:

Directors, Chief Financial Officer & Company Secretary	% increase in remuneration in the financial year
Mr. Pankaj Mital, Whole-time Director	20%
Mr. G.N. Gauba, CFO & Company Secretary	20%

- c) The percentage increase in the median remuneration of employees in the financial year: 13%
- d) The number of employees on the rolls of company: 28,575
- e) The explanation on the relationship between average increase in remuneration and company performance:

The Company based on the annual appraisal of the performance of the individual and the Company decides annual increment for all the employees including Key Managerial Personnel (KMP).

- f) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company :

Aggregate remuneration of Key Managerial Personnel (KMP) in FY 15-16 (₹ in million)	28.65
Revenue (₹ in million)	53,120
Remuneration of KMPs (as % of revenue)	0.05%
Profit before Tax (PBT) (₹ in million)	9,455
Remuneration of KMP (as % of PBT)	0.30%

- g) comparison of the each remuneration of the Key Managerial Personnel against the performance of the company:

	Mr. Pankaj Mital	Mr. G.N. Gauba
Remuneration in FY 15-16 (₹in million)	15.34	13.31
Revenue (₹in million)	53,120	
Remuneration as % of revenue	0.03%	0.02%
Profit before Tax (PBT) (₹in million)	9,455	
Remuneration (as % of PBT)	0.16%	0.14%

- h) Affirmation that the remuneration is as per the remuneration policy of the company:

The company affirms that remuneration is as per the remuneration policy of the company.

ANNEXURE – C

Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2015-16

Sl. No.		Remarks
1.	Average net profit of the Company for last three financial years	₹ 6,824 million
2.	Prescribed CSR Expenditure (two percent of the amount as in Sl. No. 1 above)	₹ 136 million
3.	Details of CSR spent during the financial year:	
	a. Total amount to be spent for the financial year	₹ 136 million
	b. Amount unspent, if any	₹ 113.41 million
	c. Manner in which the amount spent during the financial year	details given below
4.	In case the Company has failed to spend the two per cent, of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report	The Company has been working on identifying the projects for carrying out CSR activities, this has been taken more time than estimated. The Company is now working on projects on Skills Program and Kitchen to Garden Program. The expenditure on these projects shall be accounted for as and when incurred. The Company is also proposing for CSR activities through Foundation / Trust which will be established by Group promoter and Associate Company for CSR activities at group level.
5.	A responsibility statement of the CSR Committee	"The implementation and monitoring of Corporate Social Responsibility Policy, is in compliance with CSR objectives and Policy of the Company"

Manner in which the amount spent during the financial year

(₹ in Million)

Sl.No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs Local area or other Specify the State and district where projects or programs was undertaken	Amount Outlay (budget) project or programs wise	Amount spent on the projects or programs Subheads: Direct expenditure on project or programs. Overheads	Cumulative Expenditure up to the reporting period	Amount spent : direct or through implementing agency
1.	Education and other initiatives	Clause (ii) of Schedule VII of the Companies Act, 2013:- Financial support to the education of poor girl child	Pondicherry	20.00	20.00	20.00	Auroville Village Action Group (AVAG)- A registered NGO
2.	Education and other initiatives	Clause (ii) of Schedule VII of the Companies Act, 2013:- Promoting Education	Maharashtra	0.37	0.37	0.37	K.C. Mahindra Education Trust

Sl.No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs Local area or other Specify the State and district where projects or programs was undertaken	Amount Outlay (budget) project or programs wise	Amount spent on the projects or programs Subheads: Direct expenditure on project or programs. Overheads	Cumulative Expenditure up to the reporting period	Amount spent : direct or through implementing agency
3.	Animal welfare organisation	Clause (iv) of Schedule VII of the Companies Act, 2013:- animal welfare	Delhi	0.20	0.20	0.20	People for Animals
4	Benefit of armed forces	Clause (vi) of Schedule VII of the Companies Act, 2013:- benefit of armed forces	Delhi	0.35	0.35	0.35	Delhi Police Martyrs Funds
5	Promoting Education and training	Clause (ii) of Schedule VII of the Companies Act, 2013:- Training of Person for usage of Aerobin	Delhi	0.31	0.31	0.31	Direct
6	Making available safe drinking water	Clause (i) of Schedule VII of the Companies Act, 2013:- Installation of RO for Clean Drinking water for Villagers	Prajwala, Karnataka	0.86	0.86	0.86	Direct
7	For Orphanage, old Age Home and Gaushala	Clause (iii) of Schedule VII of the Companies Act, 2013:- activities of Orphanage, Gurukul, Nari Niketan, old Age Home and Gaushala	Delhi	0.50	0.50	0.50	The Earth Saviours Foundation - A registered NGO

V.C. Sehgal
Chairman (CSR Committee)

Pankaj Mital
Whole-time Director

ANNEXURE – D

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

Particulars	Details
CIN	L34300DL1986PLC026431 *
Registration Date	19-12-1986
Name of the Company	Motherson Sumi Systems Limited
Category / Sub-Category of the Company	Public Company / Limited by shares
Address of the Registered office and contact details	2nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi -110044 Telefax : 011-405555940 *
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Pvt. Ltd. Karvy Selenium Tower B Plot number 31 & 32, Financial District Nanakramguda, Serilingampally Mandal, Hyderabad – 500032 Tel. : 040 -67162222

* The Company had filed Application in respect of transfer of its Registered Office from the NCT of Delhi to the state of Maharashtra before the Regional Director, Northern Region. The matter was heard on July 4, 2016 and for which Order is awaited. New address of the Registered Office and revised CIN will be mentioned in the Notice for calling the AGM.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
Wiring Harness and components	29304	70.9%
Polymer Products	29302	28.0%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	MSSL Mauritius Holdings Limited C/O Abax Corporate Services Ltd., 6th Floor, Tower A, 1 Cyber City, Ebene, Mauritius	N.A.	Subsidiary	100%	2(87)(ii)
2.	Motherson Electrical Wires Lanka Pvt. Ltd. 32km Stone, High level Road, Pinnalanda Estate, Watareka, Padukka, Sri Lanka	N.A.	Subsidiary	100%	2(87)(ii)
3.	MSSL Mideast (FZE) H-3, 1-3, PO Box – 8510, SAIF Zone, Sharjah, UAE	N.A.	Subsidiary	100%	2(87)(ii)

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
4.	MSSL (S) Pte Ltd. 178 Paya Lebar Road # 04-08/09, Singapore - 409030	N.A.	Subsidiary	100%	2(87)(ii)
5.	MSSL Automobile Component Ltd. 2 nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi -110044	U31501DL2011PLC221912	Subsidiary	100%	2(87)(ii)
6.	Samvardhana Motherson Polymers Ltd. 2 nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi -110044	U29292DL2011PLC222184	Subsidiary	51%	2(87)(ii)
7.	MSSL GB Limited Albany Road, Gateshead Tyne & Wear, NE8 3AT, United Kingdom	N.A.	Subsidiary through MSSL Mideast (FZE)	100%	2(87)(ii)
8.	Motherson Wiring System (FZE) H-3, 4-6, PO Box – 120536, SAIF Zone, Sharjah, UAE	N.A.	Subsidiary through MSSL Mideast (FZE)	100%	2(87)(ii)
9.	MSSL GmbH Hailerer Straße 24 63571 Gelnhausen, Germany	N.A.	Subsidiary through MSSL Mideast (FZE)	100%	2(87)(ii)
10.	MSSL Tooling (FZE) B-3, 21, PO Box – 8763, SAIF Zone, Sharjah, UAE	N.A.	Subsidiary through MSSL Mideast (FZE)	100%	2(87)(ii)
11.	Samvardhana Motherson Invest Deutschland GmbH Hailerer Straße 24 63571 Gelnhausen, Germany	N.A.	Subsidiary through MSSL GmbH	100%	2(87)(ii)
12.	MSSL Advanced Polymers s.r.o. Dašická 287 533 75 Dolní Ředice, Czech Republic	N.A.	Subsidiary through MSSL GmbH	100%	2(87)(ii)
13.	Motherson Orca Precision Technology GmbH Carl-Zeiss-Strasse 1 78073 Bad Duerrheim Germany	N.A.	Subsidiary through MSSL GmbH	95.10%	2(87)(ii)
14.	MSSL s.r.l. Unipersonale Via Firenze 25, 56025, Pontedera, Italy.	N.A.	Subsidiary through MSSL GmbH	100%	2(87)(ii)
15.	Samvardhana Motherson Polymers Management Germany GmbH Hailerer Straße 24 63571 Gelnhausen, Germany	N.A.	Subsidiary through MSSL GmbH	100%	2(87)(ii)
16.	Samvardhana Motherson Plastic Solutions GmbH & Co. KG Boppenäcker Straße 10, 73734 Esslingen- Berghheim, Germany	N.A.	Subsidiary through MSSL GmbH	100%	2(87)(ii)
17.	Motherson Techno Precision Mexico S.A. De C.V. Circuito México 260, Parque Ind. Tres Naciones, 78395 San Luis Potosi, Mexico	N.A.	Subsidiary through Motherson Orca Precision Technology GmbH	100% -1 share	2(87)(ii)
18.	MSSL Australia Pty Ltd. U-4, 18-22 Lexia Place, Mulgrave, Victoria, Australia - 3170	N.A.	Subsidiary through MSSL (S) Pte. Ltd.	80%	2(87)(ii)

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
19.	MSSL Ireland Private Ltd. Mayne Lower, Old Dublin Road, Enniscorthy Co. Wexford, Ireland	N.A.	Subsidiary through MSSL Mauritius Holdings Ltd.	100%	2(87)(ii)
20.	Global Environment Management (FZC) Executive Desk, Q1-05-138/A, P.O. Box -9566, Sharjah (UAE)	N.A.	Subsidiary through MSSL Mauritius Holdings Ltd.	78.82%	2(87)(ii)
21.	Global Environment Management Australia Pty Ltd. U-4, 18-22 Lexia Place, Mulgrave, Victoria, Australia - 3170	N.A.	Subsidiary through Global Environment Management (FZC)	100%	2(87)(ii)
22.	Motherson Elastomers Pty. Ltd. U-4, 18-22 Lexia Place, Mulgrave, Victoria, Australia - 3170	N.A.	Subsidiary through MSSL Australia Pty Ltd	100%	2(87)(ii)
23.	Motherson Investment Pty. Ltd. U-4, 18-22 Lexia Place, Mulgrave, Victoria, Australia - 3170	N.A.	Subsidiary through MSSL Australia Pty Ltd	100%	2(87)(ii)
24.	MSSL Global RSA Module Engineering Ltd. 20 Alexandra Avenue, Doringkloof, Centurion 0157, South Africa	N.A.	Subsidiary through MSSL Mauritius Holdings Ltd.	100%	2(87)(ii)
25.	MSSL Japan Limited 45 KT Building 4th Floor, 1-16-4 Marunouchi Naka-ku, Nagoya-shi, Japan	N.A.	Subsidiary through MSSL (S) Pte Ltd.	100%	2(87)(ii)
26.	Vacuform 2000 (Pty) Ltd. 155 Van Eden Crescent, Rosslyn, Pretoria, South Africa	N.A.	Subsidiary through MSSL Mauritius Holdings Ltd.	51%	2(87)(ii)
27.	MSSL México, S.A. De C.V. AV Detroit 205, Parque Industrial Logistik II, Villa De Reyes, SLP, 79526, Mexico	N.A.	Subsidiary through MSSL (S) Pte. Ltd.	100%	2(87)(ii)
28.	MSSL WH System (Thailand) Co., Ltd. 500/59 Moo 3 Hemaraj Eastern Seaboard Industrial Estate, Tambon Tasith, Amphur Pluakdaeng, Rayong 21140, Thailand	N.A.	Subsidiary through MSSL (S) Pte. Ltd.	100%	2(87)(ii)
29.	MSSL Korea WH Limited Num.412-4th floor, O-Chang Plaza, 821-4 Yangcheong-ri, Ochang-eup, Cheongwon- gun, Chungbuk, Korea	N.A.	Subsidiary through MSSL (S) Pte. Ltd.	100%	2(87)(ii)
30.	MSSL Consolidated Inc. 8640, East Market Street, Howland Township, Warren, OH 44484 United States	N.A.	Subsidiary through MSSL (GB) Ltd.	100%	2(87)(ii)
31.	MSSL Overseas Wiring System Ltd. Albany Road, Gateshead Tyne & Wear, NE8 3AT, United Kingdom	N.A.	Subsidiary through MSSL Consolidated Inc.	100%	2(87)(ii)
32.	MSSL Wiring System Inc. 8640 East Market Street, Howland Township, Warren, OH 44484, United States	N.A.	Subsidiary through MSSL Overseas Wiring System Ltd.	100%	2(87)(ii)
33.	Alphabet de Mexico, S.A. de C.V. Ave. Washington No. 3701, Edificio 33, Parque Industrial Las Americas, Chihuahua, Chihuahua, Mexico 31220	N.A.	Subsidiary through MSSL (GB) Ltd.	100%	2(87)(ii)

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
34.	Alphabet de Mexico de Monclova, S.A. de C.V. Avenida Adolfo Lopez Mateos 2101, Esquina con Avenida Revolucion Mexicana, Monclova, Coahuila, Mexico 25700	N.A.	Subsidiary through MSSL (GB) Ltd.	100%	2(87)(ii)
35.	Alphabet de Saltillo, S.A. de C.V. Prolongacion del Boulevard Isidro Lopez Zertuche, No. 1950, Ramos Arizpe, Coahuila, Mexico 25900	N.A.	Subsidiary through MSSL (GB) Ltd.	100%	2(87)(ii)
36.	MSSL Wirings Juarez, S.A. de C.V. Ave. Antonio J. Bermúdez No. 770 Ote. Parque Industrial Antonio J. Bermúdez, Ciudad Juárez, Chihuahua México CP 32470	N.A.	Subsidiary through MSSL (GB) Ltd.	100%	2(87)(ii)
37.	Samvardhana Motherson Global Holdings Limited Themistokli Dervi 3, Julia House P.C. 10066 Nicosia (Cyprus)	N.A.	Subsidiary through MSSL Mauritius Holdings Ltd.	51%	2(87)(ii)
38.	Samvardhana Motherson Automotive Systems Group B.V. Claude Debussylaan 24 1082 MD Amsterdam Netherlands	N.A.	Subsidiary through Samvardhana Motherson Global Holdings Limited	69%	2(87)(ii)
39.	Samvardhana Motherson Reflectec Group Holdings Ltd. Ogier House, The Esplanade St Helier, Jersey JE4 9WG	N.A.	Subsidiary through Samvardhana Motherson Automotive Systems Group B.V.	98.45%	2(87)(ii)
40.	SMR Automotive Technology Holding Cyprus Ltd. Themistokli Dervi 3, Julia House P.C. 10066 Nicosia (Cyprus)	N.A.	Subsidiary through Samvardhana Motherson Reflectec Group Holdings Ltd.	100%	2(87)(ii)
41.	SMR Automotive Mirror Parts and Holdings UK Ltd. Themistokli Dervi 3, Castle Trading Estate, East Street, Portchester, Hampshire, PO16 9SD, England	N.A.	Subsidiary through Samvardhana Motherson Reflectec Group Holdings Ltd.	100%	2(87)(ii)
42.	SMR Automotive Holding Hong Kong Ltd. Level 28, Three Pacific Place 1 Queen's Road East, Hong Kong	N.A.	Subsidiary through Samvardhana Motherson Reflectec Group Holdings Ltd.	100%	2(87)(ii)
43.	SMR Automotive Systems India Ltd. 2 nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi -110044	U74899DL1995PLC074884	Subsidiary through SMR Automotive Technology Holding Cyprus Ltd.	51%	2(87)(ii)

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
44.	SMR Automotive Systems France S.A. 154, avenue du Lys, B.P. 5, 77191 Dammarie- Les-Lys Cedex, France	N.A.	Subsidiary through SMR Automotive Technology Holding Cyprus Ltd.	100%	2(87)(ii)
45.	SMR Automotive Mirror Technology Holding Hungary Kft Szabadsag u. 35, PF 15, 9245 Mosonszolnok, Hungary	N.A.	Subsidiary through SMR Automotive Technology Holding Cyprus Ltd.	100%	2(87)(ii)
46.	SMR Patents S.aR.L. 2 – 8 avenue Charles de Gaulle, L-1653, Luxembourg	N.A.	Subsidiary through SMR Automotive Mirror Parts and Holdings UK Ltd.	100%	2(87)(ii)
47.	SMR Automotive Technology Valencia S.A.U. Ctra. Valencia-Ademuz Km 30.5 46160 - Liria - Valencia - Spain	N.A.	Subsidiary through SMR Automotive Mirror Parts and Holdings UK Ltd.	100%	2(87)(ii)
48.	SMR Automotive Mirrors UK Ltd. Castle Trading Estate, East Street, Portchester, Hampshire, PO16 9SD, England	N.A.	Subsidiary through SMR Automotive Mirror Parts and Holdings UK Ltd.	100%	2(87)(ii)
49.	SMR Automotive Mirror Services UK Ltd. Castle Trading Estate, East Street, Portchester, Hampshire, PO16 9SD, England	N.A.	Subsidiary through SMR Automotive Mirror Parts and Holdings UK Ltd.	100%	2(87)(ii)
50.	SMR Automotive Mirror International USA Inc. 1855 Busha Highway, Marysville, Michigan 48040, USA	N.A.	Subsidiary through SMR Mirrors UK Ltd.	100%	2(87)(ii)
51.	SMR Automotive Systems USA Inc. 1855 Busha Highway, Marysville, Michigan 48040, USA	N.A.	Subsidiary through SMR Automotive Mirror International USA Inc.	100%	2(87)(ii)
52.	SMR Automotive Beijing Co. Ltd. 2, Fuxilu, Beixiaoying, Shunyi, Beijing City 101300, China	N.A.	Subsidiary through SMR Automotive Holding Hong Kong Ltd.	100%	2(87)(ii)
53.	SMR Automotive Yancheng Co. Ltd. Yancheng Economic Development Zone, Yancheng 224007, Jiangsu, China	N.A.	Subsidiary through SMR Automotive Holding Hong Kong Ltd.	100%	2(87)(ii)
54.	SMR Automotive Mirror Systems Holding Deutschland GmbH Hedelfinger Straße 60, 70327 Stuttgart, Germany	N.A.	Subsidiary through SMR Automotive Mirror Parts and Holdings UK Ltd.	100%	2(87)(ii)

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
55.	SMR Holding Australia Pty Ltd. Sherriffs Road (corner of Aldershot Road), Lonsdale, South Australia 5160, Australia	N.A.	Subsidiary through SMR Automotive Mirror Technology Holding Hungary Kft	100%	2(87)(ii)
56.	SMR Automotive Australia Pty. Ltd. Sherriffs Road (corner of Aldershot Road), Lonsdale, South Australia 5160, Australia	N.A.	Subsidiary through SMR Holding Australia Pty Ltd.	100%	2(87)(ii)
57.	SMR Automotive Mirror Technology Hungary Bt. Szabadsag u. 35, PF 15, 9245 Mosonszolnok, Hungary	N.A.	Subsidiary through SMR Automotive Technology Holding Cyprus Ltd.	99.40%	2(87)(ii)
58.	SMR Poong Jeong Automotive Mirrors Korea Ltd. Ochang Science Industrial Complex (4-9 B/L), 1112-14 Namchon-ri, Oksan-myeon, Cheongwon-gun, Chungcheongbuk-do, South Korea, Postal Code: 363-911	N.A.	Subsidiary through SMR Automotive Mirror Systems Holding Deutschland GmbH	89.86%	2(87)(ii)
59.	SMR Automotive Beteiligungen Deutschland GmbH Hedelfinger Straße 60, 70327 Stuttgart, Germany	N.A.	Subsidiary through SMR Automotive Mirror Systems Holding Deutschland GmbH	100%	2(87)(ii)
60.	SMR Hyosang Automotive Ltd. 192-6, Chunui-Dong, Wonmi-Ku, Bucheon City, Kyunggi-Do, South Korea	N.A.	Subsidiary through SMR Poong Jeong Automotive Mirrors Korea Ltd.	100%	2(87)(ii)
61.	SMR Automotive Mirrors Stuttgart GmbH Hedelfinger Straße 60, 70327 Stuttgart, Germany	N.A.	Subsidiary through SMR Automotive Mirror Systems Holding Deutschland GmbH	100%	2(87)(ii)
62.	SMR Automotive Systems Spain S.A.U. Poligono Industrial Valdemuel, S/n E-50290 Epila/Zaragoza, Spain	N.A.	Subsidiary through SMR Automotive Mirrors Stuttgart GmbH	100%	2(87)(ii)
63.	SMR Automotive Vision Systems Mexico S.A. de C.V. Circuito Mexico No. 260, Mex-78395 San Luis Potosi, SLP	N.A.	Subsidiary through SMR Automotive Mirrors Stuttgart GmbH	64.68%	2(87)(ii)
64.	SMR Automotive Servicios Mexico S.A. de C.V. Circuito Mexico No. 260, Mex-78395 San Luis Potosi, SLP	N.A.	Subsidiary through SMR Automotive Vision Systems Mexico S.A. de C.V.	100%	2(87)(ii)

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
65.	SMR Grundbesitz GmbH & Co. KG Hedelfinger Straße 60, 70327 Stuttgart, Germany	N.A.	Subsidiary through SMR Automotive Mirror Systems Holding Deutschland GmbH	93.07%	2(87)(ii)
66.	SMR Automotive Brasil LTDA Av Pacifico Moneda 3360, Sitio Vargeao, Bairro Capotuna Jaguariuna, Sao Paulo, Brasil	N.A.	Subsidiary through SMR Automotive Mirror Technology Holding Hungary Kft	100%	2(87)(ii)
67.	SMR Automotive Systems (Thailand) Ltd. 500/49 Moo3 , Hemaraj Eastern Seaboard Industrial Estate, Tasith, A. Pluckdaeng, Rayong, 21140, Thailand	N.A.	Subsidiary through SMR Automotive Technology Holding Cyprus Ltd.	100%	2(87)(ii)
68.	SMR Automotives Systems Macedonia Dooel Skopje 16, 8-mi Septemvri Blvd., Hyperium Business Centre, 2nd floor, 1000 Skopje – Karposh, Karposh	N.A.	Subsidiary through SMR Automotive Mirror Technology Holding Hungary Kft	100%	2(87)(ii)
69.	SMR Automotive Operations Japan K.K. 45 KT building 4F, 1-16-4, Marunouchi, Naka-ku, Nagoya-City, Aichi, Japan	N.A.	Subsidiary through SMR Automotive Mirror Technology Holding Hungary Kft	100%	2(87)(ii)
70.	SMR Automotive (Langfang) Co. LTD #4 Bohai Road, Modern Industrial Park, Xianghe, Langfang, Hebei, China	N.A.	Subsidiary through SMR Poong Jeong Automotive Mirrors Korea Ltd.	100%	2(87)(ii)
71.	SMR Automotive Vision System Operations USA INC C/o The Corporation Trust Company Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801	N.A.	Subsidiary through SMR Automotive Mirror Parts and Holdings UK Ltd.	100%	2(87)(ii)
72.	SMR Mirror UK Limited Castle Trading Estate, East Street, Portchester, Hampshire, PO16 9SD, England	N.A.	Subsidiary through SMR Automotive Vision System Operations USA INC	100%	2(87)(ii)
73.	Samvardhana Motherson Peguform GmbH Hailerer Straße 24 63571 Gelnhausen	N.A.	Subsidiary through Samvardhana Motherson Automotive Systems Group B.V.	100%	2(87)(ii)

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
74.	SMP Automotive Interiors (Beijing) Co. Ltd. Suite 105, Level 1, Block B, No. 14, Zhong He Road, Economic & Technology Development Zone, Beijing	N.A.	Subsidiary through Samvardhana Motherson Automotive Systems Group B.V.	100%	2(87)(ii)
75.	SMP Deutschland GmbH Schlossmattenstraße 18 79268 Bötzingen	N.A.	Subsidiary through Samvardhana Motherson Peguform GmbH	94.80%	2(87)(ii)
76.	SMP Logistik Service GmbH Schloßmattenstraße 18 79268 Bötzingen	N.A.	Subsidiary through SMP Deutschland GmbH	100%	2(87)(ii)
77.	SMP Automotive Solutions Slovakia s.r.o. Matúškovo 1586 92501Matúškovo, Slovakia	N.A.	Subsidiary through SMP Deutschland GmbH	100%	2(87)(ii)
78.	Changchun Peguform Automotive Plastics Technology Co., Ltd. No. 399 Xiang Fan Third Road, Economical & Technical Development Zone 130033 Changchun City, China	N.A.	Subsidiary through SMP Deutschland GmbH	50% +1share	2(87)(ii)
79.	Foshan Peguform Automotive Plastics Technology Co., Ltd. FoShan City, NanHai District, ShiShan Town, NanHai Software Technology Zone, Business-Start-Up-Centre Building A Room 109 Station 1004, Postcode: 528237	N.A.	Subsidiary through Changchun Peguform Automotive Plastics Technology Co., Ltd.	100%	2(87)(ii)
80.	SMP Automotive Technology Management Services (Changchun) Co. Ltd. No. 399 Xiang Fan Third Road, Changchun Economic & Technological Zone, 130033 Changchun	N.A.	Subsidiary through SMP Deutschland GmbH	100%	2(87)(ii)
81.	SMP Automotive Technology Iberica S.L. Carretera B-142 Sentmenat, 18-20, 08213 Polinya (Barcelona), Spain	N.A.	Subsidiary through Samvardhana Motherson Automotive Systems Group B.V.	100%	2(87)(ii)
82.	Samvardhana Motherson Peguform Barcelona S.L.U Ctra. B-142 a Sentmenat, 18-20, 08213 Polinya (Barcelona), Spain	N.A.	Subsidiary through SMP Automotive Technology Iberica S.L.	100%	2(87)(ii)
83.	SMP Automotive Technologies Teruel Sociedad Limitada Poligono Azalenguas s/n 44340 Fuentes Claras (Teruel)	N.A.	Subsidiary through SMP Automotive Technology Iberica S.L.	100%	2(87)(ii)

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
84.	Samvardhana Motherson Peguform Automotive Technology Portugal S.A. Parque Industrial Autoeuropa Quinta da Marquesa CCI 102162950-678 Palmela, Portugal	N.A.	Subsidiary through SMP Automotive Technology Iberica S.L.	100%	2(87)(ii)
85.	SMP Automotive Systems Mexico S.A. de C.V. km 117 Autopista Mexico-Puebla, Parque Industrial Finsa Nave 14, Puebla, Puebla, C.P. 72620, Mexico	N.A.	Subsidiary through SMP Automotive Technology Iberica S.L.	100% -1share	2(87)(ii)
86.	SMP Automotive Produtos Automotivos do Brasil Ltda. Av. Leste, Km 4. Rua 1 – nº525 Quadra „C” Bairro: Campo Largo de Roseira Sao Jose dos Pinhais Cep: 83183000 Curitiba, Brazil	N.A.	Subsidiary through SMP Automotive Technology Iberica S.L.	100% -1share	2(87)(ii)
87.	SMP Automotive Exterior GmbH Ludwig-Erhard-Str. 1, 84069 Schierling	N.A.	Subsidiary through Samvardhana Motherson Peguform GmbH	100%	2(87)(ii)
88.	Samvardhana Motherson Innovative Autosystems B.V. & Co. KG Hailerer Str. 24 63571 Gelnhausen	N.A.	Subsidiary through Samvardhana Motherson Peguform GmbH	100%	2(87)(ii)
89.	Samvardhana Motherson Innovative Autosystems Holding Company BV Autopista, Puebla-Orizaba Km. 13.5 Parque Industrial Chachapa Circuito Sur No. 10 C.P.-72990 Amozoc de Mota Puebla	N.A.	Subsidiary through Samvardhana Motherson Reflectec Group Holdings Ltd.	100%	2(87)(ii)
90.	SM Real Estate GmbH Hailerer Str. 24 63571 Gelnhausen	N.A.	Subsidiary through SMP Automotive Exterior GmbH	94.80%	2(87)(ii)
91.	Samvardhana Motherson Innovative Autosystems de México, S.A. de C.V Autopista, Puebla-Orizaba Km. 13.5 Parque Industrial Chachapa Circuito Sur No. 10 C.P.-72990 Amozoc de Mota Puebla	N.A.	Subsidiary through Samvardhana Motherson Reflectec Group Holdings Ltd.	99%	2(87)(ii)
92.	SMP Automotive Systems Alabama INC. C/O Corporation Trust Company Corporation Trust Center 1209 Orange Street, Wilmington Delaware 19801	N.A.	Subsidiary through SMR Automotive Mirror International USA Inc.	100%	2(87)(ii)
93.	Motherson Innovations Company Limited 6 th Floor, 11 Old Jewry, London, EC2R 8DU	N.A.	Subsidiary through Samvardhana Motherson Reflectec Group Holdings Ltd.	100%	2(87)(ii)

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
94	Motherson Innovations Deutschland GmbH Hedelfinger Strasse 60 70327 Stuttgart, Germany	N.A.	Subsidiary through Samvardhana Motherson Innovations Company Limited	100%	2(87)(ii)
95	Samvardhana Motherson Global (FZE) H3-05B, Post Box 513142, SAIF Zone, Sharjah	N.A.	Subsidiary through Samvardhana Motherson Reflectec Group Holdings Ltd.	100%	2(87)(ii)
96.	Saks Ancillaries Limited 2 nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi -110044	U74899DL1985PLC112662	Associate		2(6)
97.	Kyungshin Industrial Motherson Pvt. Ltd. 2 nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi -110044	U55101DL1997PTC090104	Joint Venture		2(6)
98.	Calsonic Kansei Motherson Auto Products Private Limited 2 nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi -110044	U34102DL2007PTC168779	Joint Venture		2(6)
99.	Samvardhana Motherson Nippisun Technology Ltd. 2 nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi -110044	U24297DL2013PLC249021	Joint Venture		2(6)
100.	Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd. Xizhou Industrial Estate, Xiangshan, Zhejiang Province, 315722, P.R. China	N.A.	Joint Venture		2(6)
101.	Chongqing SMR Huaxiang Automotive Products Ltd. N° 98 Lvchang Avenue of Xipong Town, Jiulongpo District, Chongqing, 401326 China	N.A.	Joint Venture		2(6)
102.	Celulosa Fabril (Cefa) S.A. (Zaragoza, ES) P.I. Malpica (Santa Isabel) Calle E-Oeste, Parcela 5 50016 Zaragoza	N.A.	Joint Venture		2(6)
103.	Modulos Rivera Alta S.L.U. Crt. De Logroño, km 27,5. Figueruelas. Zaragoza	N.A.	Joint Venture		2(6)
104.	Eissmann SMP Automotive interieur Slovakia s.r.o. Lesna 880/1, Holic 908 051	N.A.	Joint Venture		2(6)
105.	Re-time Pty Limited Suite 6, 15 King William Road, Unley SA 5061	N.A.	Joint Venture		2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2015)				No. of Shares held at the end of the year (As on 31.03.2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	4927476	0	4927476	0.56	7391213	0	7391213	0.56	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	325566564	0	325566564	36.92	488549846	0	488549846	36.93	0.01
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1):-	330494040	0	330494040	37.47	495941059	0	495941059	37.49	0.02
(2) Foreign									
a) NRIs - Individuals	21678638	0	21678638	2.46	32517957	0	32517957	2.46	0.00
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	226303625	0	226303625	25.66	339455437	0	339455437	25.66	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2):-	247982263	0	247982263	28.12	371973394	0	371973394	28.12	0.00
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	578476303	0	578476303	65.59	867914453	0	867914453	65.61	0.02
B. Public Shareholding									
1. Institutions									
a) Mutual Funds/UTI	44596206	0	44596206	5.06	72412873	0	72412873	5.47	0.41
b) Banks / FI	1270116	13919	1284035	0.15	4158435	20878	4179313	0.32	0.17
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FII/ FPIs	161405265	0	161405265	18.30	234541999	0	234541999	17.73	(0.57)
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1):-	207271587	13919	207285506	23.50	311113307	20878	311134185	23.52	0.02
2. Non- Institutions									
a) Bodies Corporation									
i) Indian	33286836	134874	33421710	3.79	38065895	200058	38265953	2.89	(0.9)
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	29551504	5651483	35202987	3.99	54565010	7569606	62134616	4.70	0.71
ii) Individual shareholders holding nominal share capital in excess of ₹ 1lakh	24756177	113905	24870082	2.82	35884544	273371	36157915	2.73	(0.09)
c) NBFCs registered with RBI	0	0	0	0	390697	0	390697	0.03	0.03
d) Others(specify)									
i) Trust & Foundations	18324	33	18357	0.00	1276079	49	1276128	0.10	0.10
ii) Clearing Member	791938	0	791938	0.09	1809968	0	1809968	0.14	0.05
iii) Non Resident Indian	1848683	3794	1852477	0.21	3789434	5691	3795125	0.29	0.08
Sub-total (B)(2):- Total Public	90253462	5904089	96157551	10.90	135781627	8048775	143830402	10.87	(0.03)
Shareholding (B)=(B)(1)+(B)(2)	297525049	5918008	303443057	34.41	446894934	8069653	454964587	34.39	(0.02)
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0.00	0.00
Grand Total (A+B+C)	876001352	5918008	881919360	100.00	1314809387	8069653	1322879040	100.00	0.00

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2015)			Shareholding at the end of the year (As on 31.03.2016)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Samvardhana Motherson International Ltd	325566564	36.92	6.08	488549846	36.93	7.36	0.01
2	Sumitomo Wiring Systems Ltd.	223013854	25.29	0.00	334520781	25.29	0.00	0.00
3	Vivek Chaand Sehgal	21678638	2.46	0.00	32517957	2.46	0.00	0.00
4	Geeta Soni	2551209	0.29	0.00	3826813	0.29	0.00	0.00
5	Neelu Mehra	2331760	0.26	0.00	3497640	0.26	0.00	0.00
6	Renu Sehgal	44470	0.01	0.00	66705	0.01	0.00	0.00
7	Laksh Vaaman Sehgal	37	0.00	0.00	55	0.00	0.00	0.00
8	H. K. Wiring Systems Limited	2269734	0.26	0.00	3404601	0.26	0.00	0.00
9	Radha Rani Holdings Pte. Ltd.	1020037	0.12	0.00	1530055	0.12	0.00	0.00
	Total	578476303	65.59	6.08	867914453	65.61	7.36	0.02

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

	Shareholding at the beginning of the year		Cumulative Shareholding during the year (01.04.2015 to 31.05.2016)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year (As on 01.04.2015)	578476303	65.59	578476303	65.59
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
- Bonus shares	289238150		867714453	
- From open market	200000	0.01	867914453	65.61
At the end of the year (As on 31.03.2016)	867914453	65.61		

Notes:-

1. The Company has allotted Bonus Shares to all the existing shareholders including promoters on 28.07.2015 in the ratio of 1:2 (i.e. one bonus share against every two equity shares).
2. Samvardhana Motherson International Ltd. has purchased 200,000 shares on 15.10.2015 from open market.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No	Name	Shareholding at the beginning of year 01-04-2015		Cumulative Shareholding at the end year 31-03-2016	
		No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	ICICI Prudential Life Insurance Company Ltd	11959013	1.36	15478210	1.17
2.	Reetha Shetty	9293701	1.05	13940551	1.05
3.	Copthall Mauritius Investment Ltd.	6921225	0.78	4365258	0.33
4.	ICICI Prudential Focused Bluechip Equity Fund	4742235	0.54	6798243	0.51
5.	FIL Investments (Mauritius) Ltd.	4717075	0.53	3680864	0.28
6.	Old Westbury Large Cap Strategies Fund	4024000	0.46	4573000	0.35
7.	Steadview Capital Mauritius Limited	3924923	0.45	2316052	0.18
8.	Vanguard Emerging Markets Stock Index Fund, Aserie	3875295	0.44	4905951	0.37
9.	BT Pension Scheme	3740837	0.42	9617887	0.73
10.	India Capital Fund Limited	3673275	0.42	3103701	0.23

Note :-

The above details are given as on March 31, 2016. The shares of the Company are listed and traded on a daily basis. 99.39% of the shareholding is in dematerialized form and hence it is not feasible to track movement of the shares on daily basis. Further, the Company has allotted Bonus Shares to all the existing shareholders on 28.07.2015 in the ratio of 1:2 (i.e. one bonus share against every two equity shares).

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-15 to 31-03-16)	
		No. of shares at the beginning (01-04-15)/ end of the year (31-03-16)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Vivek Chaand Sehgal	21678638	2.46	01-04-2015			21678638	2.46
				28-07-2015	10839319	Bonus Shares	32517957	2.46
		32517957	2.46	31-03-2016			32517957	2.46
2.	Sushil Chandra Tripathi, IAS (Retd.)	0	0.00		-		0	0.00
3.	Toshimi Shirakawa	0	0.00		-		0	0.00
4.	Arjun Puri	0	0.00		-		0	0.00
5.	Gautam Mukherjee	0	0.00		-		0	0.00
6.	Geeta Mathur	3000	0.00	01-04-2015			3000	0.00
				28-07-2015	1500	Bonus Shares	4500	0.00
		4500	0.00	31-03-2016		-	4500	0.00
7.	Mr. Naveen Ganzu *	N.A.	0.00	01-04-2015	-	-	N.A.	0.00
				14-10-2015	94201	Existing Shares	94201	0.01
		94201	0.01	31-03-2016			94201	0.01

*Appointed as Director on 14.10.2015.

Sl. No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-15 to 31-03-16)	
		No. of shares at the beginning (01-04-15)/ end of the year (31-03-16)	% of total shares of the Company				No. of Shares	% of total shares of the Company
8.	Noriyo Nakamura	0	0.00		-	-	0	0.00
9.	Laksh Vaaman Sehgal	37	0.00	01-04-2015			37	0.00
				28-07-2015	18	Bonus Shares	55	0.00
		55	0.00	31-03-2016			55	0.00
10.	Pankaj Mital	26970	0.00	01-04-2015			26970	0.00
				28-07-2015	13485	Bonus Shares	40455	0.00
				01-09-2015	1000	Purchase from open market	41455	0.00
		41455	0.00	31-03-2016			41455	0.00
11.	G.N. Gauba	10800	0.00	01-04-2015			10800	0.00
				28-07-2015	5400	Bonus Shares	16200	0.00
		16200	0.00	31-03-2016			16200	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment
(₹ in Million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2015)				
i) Principal Amount	4,502	834	-	5,336
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	21	4	-	25
Total (i+ ii+ iii)	4,523	838	-	5,361
Change in Indebtedness during the financial year				
• Addition	-	259	-	259
• Reduction	(715)	-	-	(715)
Net Change	(715)	259	-	(456)
Indebtedness at the end of the financial year (31.03.2016)				
i) Principal Amount	3,802	1,093	-	4,895
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	6	4	-	10
Total (i+ii+iii)	3,808	1,097	-	4,905

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Director and /or Manager :

Mr. Pankaj Mital : Whole-time Director

Sl. No.	Particulars of Remuneration	Amount
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	13,097,606
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	903,046
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as % of profit - others, specify	-
5.	Others, please specify:- -Contribution to provident fund/ Superannuation fund	1,337,810
	Total (A)	15,338,462
	Ceiling as per the Act	450,408,164*

*being 5% of the net profits of the Company calculated as per section 198 of the Companies Act, 2013

B. Remuneration to other directors:

Particulars of Remuneration	Name of Independent Directors						Total Amount in ₹
	Mr. S.C. Tripathi, IAS (Retd.)	Maj. Gen. Amarjit Singh (Retd.) #	Mr. Arjun Puri	Mr. Gautam Mukherjee	Ms. Geeta Mathur	Mr. Naveen Ganzu *	
• Fee for attending board / committee meetings	600,000	110,000	650,000	650,000	580,000	150,000	2,740,000
• Commission	2,500,000	833,333	2,500,000	2,500,000	2,500,000	1250000	12,083,333
• Others, please specify	-	-	-	-	-	-	-
Total (1)	3,100,000	943,333	3,150,000	3,150,000	3,080,000	1,400,000	14,823,333

Resigned from the Directorship on 28.07.2015

*appointed as Director on 14.10.2015

Name	Other Non-Executive Directors						Total Amount in ₹
	Mr. Vivek Chaand Sehgal	Mr. Toshimi Shirakawa	Ms. Noriyo Nakamura	Mr. Laksh Vaaman Sehgal			
• Fee for attending board / committee meetings	-	-	-	-	-	-	-
• Commission	-	-	-	-	-	-	-
• Others, please specify	-	-	-	-	-	-	-
Total (2)	-	-	-	-			-
Total (1+2)							14,823,333
Ceiling as per the Act							90,081,633

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Mr. G.N. Gauba: CFO & Company Secretary

Sl. No.	Particulars of Remuneration	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	11,342,946 795,599 --
2.	Stock Option	--
3.	Sweat Equity	--
4.	Commission - as % of profit - others, specify...	--
5.	Others, please specify -Contribution to provident fund/ Superannuation fund	1,173,036
	Total	13,311,581

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2016.

Form No. MR-3

SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members
Motherson Sumi Systems Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/S. MOTHERSON SUMI SYSTEMS LIMITED** (hereinafter called the “**Company**”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2016 (“audit period”) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992.
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 for the relevant period applicable;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (**Not applicable to the Company during the Audit Period**);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during the Audit Period**);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (**Not applicable to the Company during the Audit Period**);

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 to the extent of voluntary delisting of shares from Delhi Stock Exchange Limited and Ahmedabad Stock Exchange Limited; and
- (h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period);**

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India, with respect to Board and General Meetings.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- (a) The Environment (Protection) Act, 1986
- (b) The Water (Prevention and Control of Pollution) Act, 1974
- (c) The Air (Prevention and Control of Pollution) Act, 1981
- (d) The Rubber Act 1947 to the extent applicable and rules made thereunder; and
- (e) The Explosives Act, 1884 to the extent applicable as the Company for diesel storage tank for few of its units.

We further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director(s). The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **SGS ASSOCIATES**
Company Secretaries

D.P. Gupta

Membership No.: FCS 2411
C P No. 1509

Date: July 5, 2016
Place: New Delhi

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 Corporate Governance policies not only to comply with the statutory requirements in letter and spirit, but also to aim 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 achieve its goal of maximizing value for all its stakeholders. The Company has adopted a Code of Conduct for its Directors and employees & officers of the Company as well as of subsidiaries /Promoter Company.

Over the years, we have strengthened governance practices. These practices define the way business is conducted and value is generated. The Company has the distinction of consistently rewarding its shareholders over 23 eventful years from its IPO.

In terms of distributing wealth to our shareholders, apart from having a track record of uninterrupted dividend payout, we have also delivered consistent unmatched shareholder returns since listing. The result of our initiative is our ever widening reach and recall.

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") the Company has executed fresh Listing agreements with Stock Exchanges.

The Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreements and Regulations 17 to 27 read with Schedule V and Clause (b) to (i) of Sub-Regulation (2) of Regulation 46 of SEBI Listing Regulations, as applicable, with regard to Corporate Governance.

Board of Directors

As on March 31, 2016, the Company has ten Directors of which, nine are Non-executive Directors including five Independent Directors. The Board has two Women Directors, one being independent and the other one is the nominee of Sumitomo Wiring Systems Limited. The composition of the Board is in the conformity with Regulation 17 of the SEBI Listing Regulations read with section 149 of the Companies Act, 2013.

None of the Directors on the Board is member of more than ten committees or Chairman of more than five committees across all the companies as on March 31, 2016 for which confirmation has been obtained from the Directors. Chairmanships/Memberships of the Board Committees include only Audit Committee and Stakeholders' Relationship Committee.

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, 2016 are given herein below:

Name of the Director	Executive/ Non- executive/ Independent	No. of Directorship in other Public Companies	Committee Memberships	Committee Chairmanships
Mr. V. C. Sehgal * DIN 00291126	Non-executive Chairman	4	--	--
Mr S.C. Tripathi, IAS (Retd.) DIN 00941922	Independent Director	7	8	2
Mr. Toshimi Shirakawa \$ DIN 00310164	Non-executive Director	1	1	--

Name of the Director	Executive/ Non-executive/ Independent	No. of Directorship in other Public Companies	Committee Memberships	Committee Chairmanships
Mr. Arjun Puri DIN 00211590	Independent Director	5	6	1
Mr. Gautam Mukherjee DIN 02590120	Independent Director	2	3	1
Ms. Geeta Mathur DIN 02139552	Independent Director	9	8	3
Mr. Naveen Ganzu # DIN 00094595	Additional Director (Independent)	--	--	--
Mr. Laksh Vaaman Sehgal* DIN 00048584	Non-executive Director	8	2	--
Ms. Noriyo Nakamura \$ DIN 06809512	Non-executive Director	--	1	--
Mr. Pankaj Mital* DIN 00194931	Whole-time Director/ Chief Operating Officer	2	1	--

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

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

Appointed as Director of the Company w.e.f. October 14, 2015.

Notes:-

- Memberships / Chairmanships of Directors in the Committees of all Public Companies incorporated in India in which they are Directors.
- Mr. Laksh Vaaman Sehgal is the son of Mr. V. C. Sehgal. None of the other Director(s) are related to any other Director on the Board.
- The Company has received declarations of independence as prescribed under Regulation 16(1)(b) of SEBI Listing Regulations read with Section 149(6) & (7) of the Companies Act, 2013 from Independent Directors. All requisite declarations have been placed before the Board.

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.

Eight Board Meetings were held during the year and the gap between two meetings did not exceed 120 (one hundred and twenty) days. The dates on which the said meetings were held:

(i) May 12, 2015 (ii) June 10, 2015 (iii) July 28, 2015 (iv) August 6, 2015 (v) September 17, 2015 (vi) November 6, 2015 (vii) February 9, 2016 (viii) March 16, 2016.

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	8	Yes
Maj. Gen. Amarjit Singh (Retd.) *	3	Yes
Mr. S.C. Tripathi IAS (Retd.)	8	Yes
Mr. Toshimi Shirakawa	7	Yes
Mr. Arjun Puri	8	Yes
Mr. Gautam Mukherjee	8	Yes
Ms. Geeta Mathur	7	Yes
Mr. Laksh Vaaman Sehgal	8	Yes
Ms. Noriyo Nakamura	7	Yes
Mr. Pankaj Mital	8	Yes
Mr. Naveen Ganzu #	3	N.A.

Video / Tele-conferencing facilities are also used to facilitate Directors travelling / residing abroad or at other locations to participate in the meetings.

* Resigned from the Board on July 28, 2015, attended all meetings held upto that date.

Appointed as Director of the Company w.e.f. October 14, 2015, attended all meetings held post appointment.

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

1. Quarterly results and performance of various units/divisions, subsidiaries and joint venture companies.
2. Minutes of the meeting of all the Committees.
3. Minutes of Meetings of the Board of the subsidiaries.
4. Materially important litigations, show cause, demand, prosecution and penalty notices.
5. Details of Joint Ventures, acquisition of companies or Collaboration Agreement.
6. Annual Operating plans and budgets and updates.
7. Developments on Human Resource of the Company.
8. Other information as mentioned in Schedule II Part A of the SEBI Listing Regulations.

Details of equity shares of the Company held by the Directors as on March 31, 2016 are given below :

Name	Category	No. of equity shares
Mr. V.C. Sehgal	Non-executive	3,251,7957
Ms. Geeta Mathur	Independent	4,500
Mr. Naveen Ganzu	Independent	94,201
Mr. Laksh Vaaman Sehgal	Non-executive	55
Mr. Pankaj Mital	Executive	41,455

The Company has not issued any convertible instruments.

Meetings of Independent Directors

The Company's Independent Directors meet at least once in a year without the presence of non-independent directors and management personnel inter alia to:

- review the performance of non-independent directors and the Board as a whole,
- review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors,

- assess the quality, quantity and timeliness of flow of information between the company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

During the year under review, the Independent Directors met on January 23, 2016 without the presence of non-independent directors and management personnel to discuss the aforesaid matters.

All the Independent Directors were present at the Meeting.

Mr. S.C. Tripathi, IAS (Retd.), Lead Independent Director has presided the meeting of the Independent Directors.

Performance Evaluation of Independent Directors

The Board evaluates the performance of Independent Directors and recommends commission payable to them based on their commitment towards attending the meetings of the Board/Committees, contribution and attention to the affairs of the Company and their overall performance apart from sitting fees paid for each Board and Committee Meetings attended by them.

Familiarization Programme of Independent Directors

The Independent Directors of the Company are eminent personalities having wide experience in the field of finance, education, industry, commerce and administration. Their presence on the Board has been advantageous and fruitful in taking business decisions.

Periodic presentations are made by Senior Management, Statutory and Internal Auditors at the Board/Committee Meetings on business and performance updates of the Company, global business environment, business risks and its mitigation strategy, impact of regulatory changes on strategy etc. Updates on relevant statutory changes encompassing important laws are regularly intimated to the Independent Directors.

The Independent Directors visited some of the factories of the Company as well as some of the factories of subsidiary and joint venture companies during the year.

The details of the familiarization programme of the Independent Directors are available on the website of the Company at <http://www.motherson.com/investor-overview.html>.

Code of Conduct

The Company has in place a Code of Conduct (the Code) applicable to all the designated employees of the Company and its subsidiaries. The Code is applicable to Non-executive Directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law.

A copy of the Code has been put on the Company's website www.motherson.com. The Code has been circulated to the Directors and Management Personnel, and its compliance is affirmed by them annually.

The Members of the Board and Management personnel have affirmed the compliance with the Code applicable to them during the year ended on March 31, 2016. A declaration signed by the Whole-time Director & Chief Operating Officer is published in this Report.

COMMITTEES OF BOARD

Audit Committee

The Audit Committee of the Company has been constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations, read with Section 177 of the Companies Act, 2013.

The Audit Committee of the Company comprises the majority of Independent Directors. The members of the Audit Committee met seven times during the financial year 2015-16 and the Committee reviewed the related party transactions, 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 23, 2015 (ii) May 11, 2015 (iii) June 10, 2015 (iv) August 6, 2015 (v) November 6, 2015 (vi) December 22, 2015 (vii) February 8, 2016. The maximum time gap between two consecutive meetings did not exceed 120 (one hundred and twenty) days.

The necessary quorum was present for all the meetings.

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

Name	Designation	Category	Committee meetings attended
Mr. S.C. Tripathi, IAS (Retd.)	Chairman	Independent	7
Mr. Toshimi Shirakawa	Member	Non-executive (Nominee of SWS)	4*
Mr. Gautam Mukherjee	Member	Independent	7
Ms. Geeta Mathur	Member	Independent	6
Mr. Arjun Puri	Member	Independent	7
Mr. Laksh Vaaman Sehgal	Member	Non-executive (Nominee of SMIL)	6

* Could not attended one meeting due to conflict with other business meeting and rest two meetings were not attended since agenda of the meeting was mainly to approve related parties transactions.

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

- Oversight of the company's financial reporting process and the disclosure of its financial information;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by them;
- Reviewing, with the management, the annual financial statements and auditor's report thereon;
- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report;
- Changes, if any, in accounting policies and practices and reasons for the same;
- Major accounting entries involving estimates based on the exercise of judgment by management;
- Significant adjustments made in the financial statements arising out of audit findings;
- Compliance with listing and other legal requirements relating to financial statements;
- Approval of the related party transactions as per policy of the company;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Scrutiny of inter-corporate loans and investments;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal observations by the internal auditors into matters where there is irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To review the functioning of the Vigil mechanism;
- Management Discussion and Analysis of financial condition and results of operations.
- The Audit Committee shall review the information required as per SEBI Listing Regulations.

The Audit Committee invites such executives, as it considers appropriate, representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings. The Company Secretary acts as the Secretary to the Audit Committee.

The previous Annual General Meeting (AGM) of the Company was held on July 28, 2015 and the same was attended by Mr. S.C. Tripathi, IAS (Retd.), Chairman of the Audit Committee.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee of the Company has been constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations, read with Section 178(5) the Companies Act, 2013.

The Committee which looks into shareholders' and investors' grievances. The following are the members of the Committee:

Name	Designation	Category
Mr. Gautam Mukherjee *	Chairman	Independent
Ms. Noriyo Nakamura	Member	Non-executive
Mr. Pankaj Mital	Member	Executive

* Inducted in the Committee on February 9, 2016.

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

During the year, one meeting of the Committee was held on May 11, 2015.

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

Name	Designation	Category	Committee meetings attended
Maj. Gen. Amarjit Singh (Retd.) \$	Chairperson	Independent	1
Ms. Noriyo Nakamura	Member	Non-executive	1
Mr. Pankaj Mital	Member	Executive	1

\$ Ceased to be Chairman of the Committee due to his resignation from the Board on July 28, 2015.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company has been constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations, read with Section 178 the Companies Act, 2013.

The Nomination and Remuneration Committee comprises Mr. Gautam Mukherjee (Independent Director), Ms. Geeta Mathur (Independent Director), Mr. Laksh Vaaman Sehgal (Non- Executive Director).

During the year, the Committee met two times on June 10, 2015 and October 13, 2015.

The necessary quorum was present for all the meetings.

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

Name	Designation	Category	Committee meetings attended
Mr. Gautam Mukherjee	Chairman	Independent	2
Ms. Geeta Mathur	Member	Independent	2
Mr. Laksh Vaaman Sehgal	Member	Non-executive	2

Terms of reference of the Nomination and Remuneration Committee include:

- To identify persons who are qualified to become directors and who may be appointed in the senior management, recommend to the Board about their appointment and removal and carry out evaluation of every director's performance;

- Formulation of the criteria for determining the qualifications, positive attributes and independence of the director and recommend to the Board a policy, relating to remuneration of the Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance a valuation of the Independent Director.
- Devising a Policy on Board Diversity.

Corporate Social Responsibility (CSR) Committee

In accordance with the requirements of Section 135 of the Companies Act, 2013, the Board of Directors at their meeting held on August 12, 2014 constituted Corporate Social Responsibility (CSR) Committee.

The CSR Committee comprises Mr. V.C. Sehgal as Chairman, Mr. Arjun Puri (Independent Director) and Mr. Laksh Vaaman Sehgal as member of the Committee.

Terms of reference of the Committee :

- To formulate and recommend to the Board, a CSR Policy and the activities to be undertaken by the Company as per Schedule VII of the Companies Act, 2013;
- To recommend amount of expenditure on CSR activities;
- To monitor CSR Policy of the Company.

The Company has framed the CSR Policy which is available at its website: www.motherson.com.

During the year, two meetings of the Committee were held on May 2, 2015 and December 23, 2015

The necessary quorum was present for all the meetings.

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

Name	Designation	Category	Committee meetings attended
Mr. V.C. Sehgal	Chairman	Non-executive	2
Mr. Arjun Puri	Member	Independent	2
Mr. Laksh Vaaman Sehgal	Member	Non-executive	1

Risk Management Committee

The Risk Management Committee of the Company is constituted in line with the provisions of Regulation 21 of SEBI Listing Regulations.

The Board of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. Major risks identified by the business and functions are systematically addressed through mitigating actions on a continuing basis.

The Risk Management Committee comprises the Directors viz. Mr. Laksh Vaaman Sehgal (Chairman), Ms. Geeta Mathur, Ms. Noriyo Nakamura, Mr. Pankaj Mital and Official viz. Mr. G.N. Gauba.

During the year, one meeting of the Committee was held on December 22, 2015

The necessary quorum was present for the meeting.

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

Name	Designation	Category	Committee meetings attended
Mr. Laksh Vaaman Sehgal	Chairman	Non-executive	1
Ms. Geeta Mathur	Member	Independent	1
Ms. Noriyo Nakamura	Member	Non-executive	1
Mr. Pankaj Mital	Member	Executive	1
Mr. G.N. Gauba	Member	Official	1

Other Committees:

(i) Committee of Directors (Administrative Matters)

The Company has a Committee of Directors for Administrative Matters which has been constituted and authorised by the Board to facilitate 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 eleven times during the financial year 2015-16.

The following are the members of the Committee:

Mr. Laksh Vaaman Sehgal : Chairman
 Ms. Noriyo Nakamura : Member
 Mr. Pankaj Mital : Member

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 represent 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 other stakeholders;
- Any other items as may be decided by the Board.

(ii) Committee of Directors (Strategic Business Matters)

The Company has a Committee of Directors for Strategic Business Matters which was constituted on January 31, 2014.

Presently, the Committee comprises Mr. Laksh Vaaman Sehgal (Chairman), Mr. S.C. Tripathi, IAS (Retd.) (Independent Director), Ms. Geeta Mathur (Independent Director), Ms. Noriyo Nakamura (Non- Executive Director), Mr. Pankaj Mital (Whole-time Director).

The 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 delegated by the Board

Remuneration Policy

The Company has adopted a comprehensive remuneration policy in consonance with the industry practices and rewards good performance of the employees of the Company. The policy ensures equality, fairness and consistency in rewarding the employees on the basis of performance against set objectives and the performance of the individuals measured through the annual appraisal process.

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 2015-16 the Company paid sitting fees of ₹ 20,000/- per meeting up to June 10, 2015 to its Independent Directors for attending meetings of the Board and Committees of the Board. The Board of Directors at their meeting held on June 10, 2015 have revised the sitting fees viz. for Board and Audit Committee Meeting to ₹ 50,000/- per meeting and ₹ 30,000/- for the Committees Meeting of the Board (within the limit as prescribed under the Companies Act, 2013) and accordingly, the Company has paid sitting fees to its Independent Directors for, attending meetings of the Board and meetings of committees of the Board.

The members at the Extra-ordinary General Meeting of the Company held on March 18, 2013 have approved the payment of commission to the Non-executive Directors within the ceiling of 1% of the net profits of the Company as computed under the applicable provisions of the Act provided that the maximum amount of commission payable shall not exceed ₹ 10 (Ten) 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 for their contribution at the Board. Due to increase in complexity and volume of the business operations and compliances, responsibility of the Independent Directors has increased therefore the Board of Directors at their meeting held on May 17, 2016 has decided to pay the total commission of ₹ 12.08 million for the Financial Year 2015-16. The Company will pay the Commission to the Independent Directors on approval by the shareholders in the ensuing Annual General Meeting.

Details of the remuneration for the financial year ended March 31, 2016 are as follows:

a. Non-executive (Independent Directors) :

Name of the Director	Commission (₹) *	Sitting fee (₹)
Mr. S. C. Tripathi IAS (Retd.)	2,500,000	600,000
Mr. Arjun Puri	2,500,000	650,000
Mr. Gautam Mukherjee	2,500,000	650,000
Ms. Geeta Mathur	2,500,000	580,000
Maj. Gen. Amarjit Singh (Retd.) \$	833,333	110,000
Mr. Naveen Ganzu#	1,250,000	150,000

* commission will be paid to the Independent Directors after approval of the shareholders in the ensuing Annual General Meeting.

\$ resigned from the Board on July 28, 2015.

appointed as Director on the Board w.e.f. October 14, 2015.

b. Whole-time Director :

Name of the Director	Salary	Amount (₹)
Mr. Pankaj Mital	Basic salary	10,315,080
	Bonus	2,063,016
	Benefits perquisites and allowances	2,960,366
	Total	15,338,462

The period of service of Mr. Pankaj Mital as Whole-time Director as approved by the members is three years from April 1, 2014 and can be terminated by either party giving three month notice in advance.

System for transfer of Shares

- 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 2015-2016 was 51,928 shares as compared to 80,079 shares during 2014-2015.
- 99.39% of the equity shares of the Company are in electronic form as on March 31, 2016. Transfers of these shares are done through the depositories with no involvement of the Company.
- As on March 31, 2016, 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. Laksh Vaaman Sehgal	: Chairman
Ms. Noriyo Nakamura	: Member
Mr. Pankaj Mital	: Member

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

Investor Relations

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

All the complaints received during the year and 60 complaints were cleared within the financial year. Since one complaint was received from SEBI on March 30, 2016 was responded on April 5, 2016.

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
26 th	August 31, 2013	3:30 P.M.	FICCI Golden Jubilee Auditorium, New Delhi	--
27 th	August 25, 2014	11:30 A.M.	FICCI Golden Jubilee Auditorium, New Delhi	--
28 th	July 28, 2015	11:00 A.M.	FICCI K.K. Birla Auditorium, New Delhi	--

- During the year under review, the Company has passed following special resolution through postal ballot, result declared on March 28, 2016 as required Section 110 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 :

Shifting of the Registered Office of the Company from the Union Territory of Delhi to the State of Maharashtra.

Details of voting pattern are as below :

Total No. of shares/ votes	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes in favour	No. of Votes against	% of Votes in favour on votes polled	% of Votes against on votes polled
1322879040	1101516254	83.2666	1101489162	27092	99.9975	0.0025

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

- None of the business proposed to be transacted in the ensuing AGM require the passing of a special resolution by way of Postal Ballot.
- In Compliance with Regulation 44 of SEBI Listing Regulations and Section 108 and other applicable provisions of the Companies Act 2013, read with the related Rules, the Company provides electronic voting facility to all its members, to enable them to cast their votes electronically. The Company has engaged the services of Karvy Computershare Pvt. Ltd. for the purpose of providing e-voting facility to all its members.

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. Press Release made by the Company from time to time are also displayed on the Company's website.

Detailed presentations are made to institutional investors and financial analysts on the Company's unaudited quarterly as well as audited annual financial results. These presentations are also uploaded on the Company's website.

The Company regularly interacts with the shareholders through multiple channels of communication such as publication of results, Annual Report, press releases, Analysts Call after the Board Meeting. The Company also informs the Stock Exchanges in a prompt manner, all price sensitive information and all such other matters which in its opinion, are material and relevant for the shareholders.

Management Discussion and Analysis

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

Other Disclosures

- No transactions of material nature requiring shareholders' approval have 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.
- All transactions entered into with related parties as defined under the Act and Regulation 23 of SEBI Listing Regulations during the financial year were in the ordinary course of business. These have been approved by the audit committee. The Board has approved a policy for related party transactions which has been uploaded on the Company's website (<http://www.motherson.com/investor-overview.html>).
- Transactions with the related parties are disclosed in Note No. 46 in the Annual Report.

- No penalties or strictures were imposed by SEBI or the Stock Exchange or any statutory authority, on any matter related to capital markets, during the last three years.

The Company has also adopted Policy on Determination of Materiality for Disclosures Policy on Archival of Documents and Policy for Preservation of Documents, which have been uploaded on the Company's website (<http://www.motherson.com/investor-overview.html>).

- All mandatory requirements have been complied with.
- The Company has duly fulfilled the following discretionary requirements as prescribed in Schedule II Part E of the SEBI Listing Regulations:
 - The quarterly, half-yearly and annual financial results of the Company are published in the newspapers and are also posted on the Company's website www.motherson.com (weblink: <http://www.motherson.com/investor-overview.html>). Annual Report of the Company is sent to every shareholder of the Company.
 - The auditors' reports on statutory financial statements of the Company are unqualified.
 - P.R. Mehra & Co., the Internal Auditors of the Company, make presentations to the audit committee on their reports.

Whistle-blower Policy

The Company has adopted a Whistle Blower Policy and has established the necessary Vigil Mechanism as defined under Regulation 22 of SEBI Listing Regulations for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy has been also put up on the website of the Company (<http://www.motherson.com/investor-overview.html>).

The Company has also appointed an independent external ombudsman, "Thought Arbitrage Consultancy (TAC)". TAC consists of trained professional with expertise in this field. Any complaint or protected disclosure pertaining to an improper or unethical act as defined in the Whistle-blower Policy should be submitted to TAC. The policy with the name and address of the Chairman of the Audit Committee has been communicated to the employees by uploading the same on the website of the Company. The employees can directly contact the Chairman of the Audit Committee on the email address as mentioned in the 'Vigil Mechanism Policy' uploaded at the website of the Company.

Subsidiary Companies

The Audit Committee reviews the consolidated financial statements of the Company. The minutes of the Board Meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

The Company does not have any material non-listed Indian subsidiary companies.

The Company has a policy for determining 'material subsidiaries' which is disclosed on its website of the Company (<http://www.motherson.com/investor-overview.html>).

CEO/CFO Certifications

The Whole-time Director and the Chief Financial Officer of the Company have given annual certification on financial reporting and internal controls to the Board in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 at its meeting held on May 17, 2016.

General Shareholders Information

1. Annual General Meeting (AGM) to be held

- Date : 31.08.2016
- Day : Wednesday
- Time : 11:00 a.m.
- Venue : Refer to the Notice for calling the AGM *

* The Company had filed Application in respect of transfer of its Registered Office from the NCT of Delhi to the state of Maharashtra before the Regional Director, Northern Region. The matter was heard on July 4, 2016 for which Order is awaited. Please refer to the Notice for calling the AGM for the venue of the AGM.

2. Financial Calendar (tentative and subject to change)

- Financial reporting for the first quarter ending June 30, 2016: on or before August 14, 2016
- Financial reporting for the second quarter ending September 30, 2016: on or before November 15, 2016
- Financial reporting for the third quarter ending December 31, 2016: on or before February 15, 2017
- Financial results for the year ending March 31, 2017: on or before May 30, 2017

3. Book Closure date : From 29.08.2016 to 31.08.2016 (both days inclusive).

4. Dividend payment date : The Company has made the payment of Interim Dividend on March 30, 2016 and no further dividends are proposed / recommended by the Board for the Financial Year 2015-16

5. Listing on stock exchanges:

-Presently the Equity shares of the Company listed on

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400001	National Stock Exchange of India Limited Exchange Plaza, 5th Floor Plot no. C/1, G Block Bandra - Kurla Complex Bandra (E), Mumbai - 400051
Stock Code: 517334	Stock Code: MOTHERSUMI

During the year the Company has delisted its equity shares from Ahmedabad Stock Exchange Limited under SEBI (Delisting of Equity Shares) Regulations, 2009. Further Delhi Stock Exchange Limited has been derecognized by SEBI vide dated November 19, 2014.

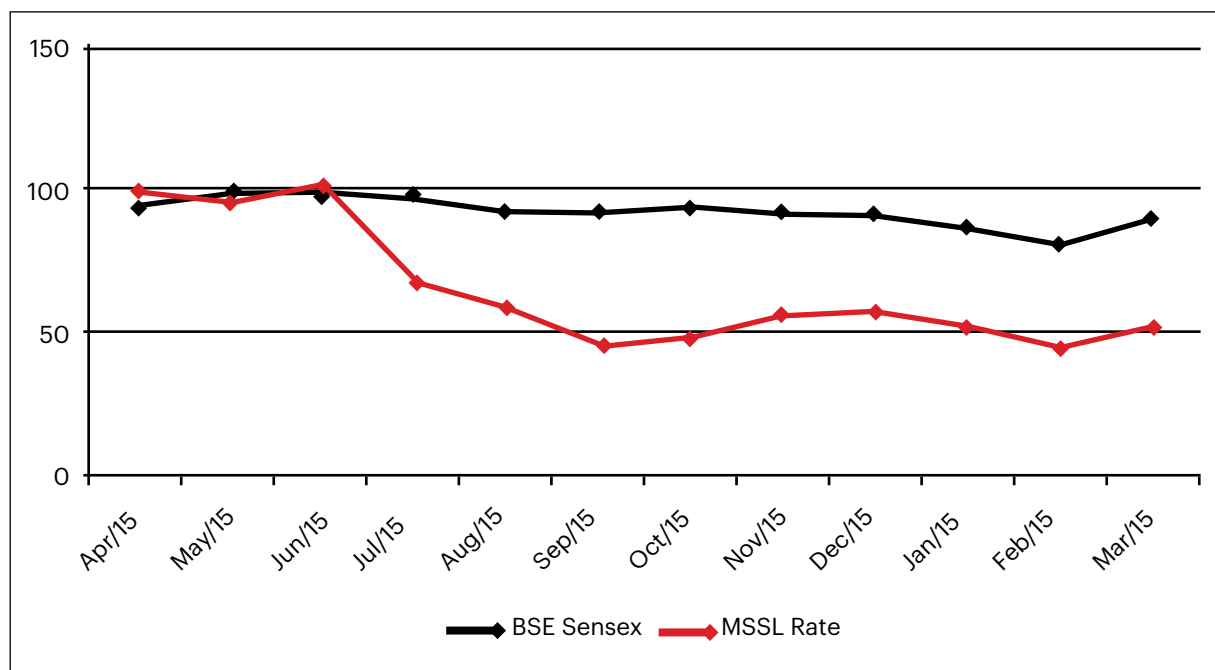
Listing fee for the year 2016-17 has been paid to BSE Limited and National Stock Exchange of India Limited

6. Market price data

Month	BSE Limited		National Stock Exchange of India Limited	
	High	Low	High	Low
April 2015	534.40	439.00	534.65	434.70
May 2015	516.80	459.00	516.70	459.00
June 2015	522.75	451.00	522.80	450.55
July 2015 *	540.25	327.10	540.75	328.15
August 2015	395.85	272.00	396.00	272.00
September 2015	306.00	228.15	306.25	228.25
October 2015	261.75	217.30	261.80	217.05
November 2015	303.80	240.00	304.00	239.60
December 2015	300.25	258.15	300.40	258.10
January 2016	304.20	237.20	304.20	237.10
February 2016	278.25	206.20	278.50	205.90
March 2016	269.15	226.70	269.75	226.80

*price from July 23, 2015 was Ex-Bonus.

7. Performance in comparison to broad based indices



Base 100 = April 1, 2015

8. Shareholding Pattern of the Company as on 31.03.2016

Category	No. of shares held	% of shareholding
Indian Promoters	495,941,059	37.49
Foreign Promoters	371,973,394	28.12
Financial Institutions, Mutual Funds & Banks	76,592,186	5.79
Foreign Institutional / Portfolio Investors	234,541,999	17.73
Bodies Corporate	38,265,953	2.89
General Public (Individuals)	98,292,531	7.43
NBFCs registered with RBI	390,697	0.03
NRIs/ Trusts	5,071,253	0.38
Clearing Members*	1,809,968	0.14
Total	1,322,879,040	100.00

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

9. Registrar and Transfer Agents

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

M/s Karvy Computershare Pvt. Ltd.
(Unit – Motherson Sumi Systems Ltd.)
Karvy Selenium Tower B
Plot number 31 & 32, Gachibowli, Financial District
Nanakramguda , Serilingampally Mandal, Hyderabad – 500032, India
Ph. No.- 040-67162222, Fax No.- 040-23001153
E-mail - einward.ris@karvy.com

10. Distribution of shareholding as on March 31, 2016

Range (Amount)	No. of shareholders	% of shareholders to total	No. of shares	% of shares to total
1 – 5000	112,570	96.99	30,571,698	2.31
5001-10000	1,278	1.10	8,933,734	0.67
10001 – 20000	1,149	0.99	17,246,989	1.30
20001 – 30000	267	0.23	6,416,544	0.49
30001- 40000	133	0.11	4,605,874	0.35
40001 – 50000	84	0.07	3,790,326	0.29
50001 – 100000	192	0.17	13,661,081	1.03
100001 and above	389	0.34	1,237,652,794	93.56
Total	116,062	100.00	1,322,879,040	100.00

11. Dematerialization of shares and liquidity :

The Company's shares are compulsorily tradable in dematerialized form on NSE and BSE, which provide sufficient liquidity to the investors. The Company has established connectivity with both the depositories i.e. NSDL and CDSL. Equity shares of the Company representing 99.39% of the Company's equity share capital are dematerialized as on March 31, 2016.

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

12. Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments and hence as on March 31, 2016, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

13. Commodity price risk or foreign exchange risk and hedging activities :

Please refer to Management Discussion and Analysis Report for the same.

14. Plant Locations (in India) :

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

Representative Office(s)

Sharjah
Germany

15. Address for correspondence :

The Shareholders may address their communication / grievances/queries/ suggestions to

M/s Karvy Computershare Pvt. Ltd.
(Unit – Motherson Sumi Systems Ltd.)
Karvy Selenium Tower B
Plot number 31 & 32, Gachibowli, Financial District
Nanakramguda , Serilingampally Mandal, Hyderabad –
500032, India
Ph. No.- 040-67162222, Fax No.- 040-23001153
E-mail - einward.ris@karvy.com

Company Secretary
Motherson Sumi Systems Limited
Plot No. -1, Sector – 127,
Noida – 201301 (U.P.)
Phone No. : 0120 -6752100, 6752258
E-mail : investorrelations@motherson.com
Website : www.motherson.com

Compliance Certificate

Compliance Certificate for Corporate Governance from the Statutory Auditors of the Company is annexed herewith.

The above Report has been placed before the Board at its meeting held on July 5, 2016 and the same was approved.

Declaration Regarding Compliance with The Company's Code of Conduct

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, 2016 received from the Board of Directors and Senior Management a declaration of compliance with the Code of Conduct.

For **Motherson Sumi Systems Limited**

Place: Noida
Date: July 5, 2016

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, 2016 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015").

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, 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.

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

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 and on behalf of
Price Waterhouse Chartered Accountants LLP
Chartered Accountants

Rajib Chatterjee
Partner
Membership No: 057134

Place: Gurgaon
Date: July 5, 2016



Motherson Sumi Systems Limited
Standalone Financial Statements
2015-16

Independent Auditors' Report

To the Members of Motherson Sumi Systems Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Motherson Sumi Systems Limited ("the Company"), which comprise the Balance Sheet as at March 31 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 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 Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 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 B of a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 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 with any other accounting standard referred to in Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

- i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2016 on its financial position in its standalone financial statements – Refer Note 32 & 50;
- ii. The Company has made provision as at March 31, 2016, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 43;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Rajib Chatterjee

Partner

Place: Noida

Date: May 17, 2016

Membership Number: 057134

Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Motherson Sumi Systems Limited on the standalone financial statements for the year ended March 31, 2016

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Motherson Sumi Systems Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether

adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company;

and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Rajib Chatterjee

Place: Noida

Partner

Date: May 17, 2016

Membership Number: 057134

Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Motherson Sumi Systems Limited on the standalone financial statements for the year ended March 31, 2016

- 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) The title deeds of immovable properties, as disclosed in Note 12 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory [excluding stocks with third parties] have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, 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.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, service tax, income tax, duty of customs, duty of excise, value added tax and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of duty of custom which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax, duty of excise and value added tax as at March 31, 2016 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in million) (*)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	12.69	2002-03	Hon'ble Supreme Court, Delhi
Income Tax Act, 1961	Income Tax	43.46	2003-04 to 2005-06	Hon'ble High Court
Income Tax Act, 1961	Income Tax	6.39	2006-07 and 2008-09	CIT(A)
Income Tax Act, 1961	Income Tax	31.82	2004-05, 2010-11 & 2011-12	ITAT
Income Tax Act, 1961	Income Tax	22.01	2012-13	DRP
Central Excise Act, 1944	Central Excise	22.49	2005-06 to 2008-09	Hon'ble High Court
Central Excise Act, 1944	Central Excise	24.83	2000-01, 2001-02, 2003-04, 2005-06, 2007-08	CESTAT
Central Excise Act, 1944	Service Tax	1.60	1999-2000 to 2001-02	Hon'ble High Court, Allahabad
Central Excise Act, 1944	Service Tax	8.12	2002-03 to 2003-04	CESTAT
Central Excise Act, 1944	Service Tax	9.45	2007 to 2014	Commissioner of Central Excise (Appeals)
U.P. VAT Act, 2008	Value Added Tax & Sales Tax	21.60	2008-09, 2010-11 & 2011-12	Additional Commissioner (Appeals)

* Amount under dispute is net of advance deposited, if any.

- viii. 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 loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied for the purposes for which they were obtained. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments).
- x. 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 by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Rajib Chatterjee

Partner

Place: Noida

Date: May 17, 2016

Membership Number: 057134

Balance Sheet

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

	Note	As At March 31, 2016	As At March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	1,323	882
Reserves and Surplus	4	23,043	20,139
		24,366	21,021
Non-Current Liabilities			
Long-Term Borrowings	5	1,971	3,183
Other Long-Term Liabilities	6	191	135
Long-Term Provisions	7	286	274
		2,448	3,592
Current Liabilities			
Short-Term Borrowings	8	1,410	947
Trade Payables	9		
Total outstanding dues of micro enterprises and small enterprises and		49	25
Total outstanding dues of creditors other than micro enterprises and small enterprises		5,310	4,244
Other Current Liabilities	10	4,097	3,456
Short-Term Provisions	11	643	4,104
		11,509	12,776
Total		38,323	37,389
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	12	14,086	14,612
Intangible Assets	12	3	6
Capital Work-in-Progress		651	399
Non-Current Investments	13	7,473	7,320
Deferred Tax Assets	14	350	171
Long-Term Loans and Advances	15	976	960
Other Non-Current Assets	16	23	33
		23,562	23,501
Current Assets			
Current Investments*	17	0	0
Inventories	18	6,982	6,084
Trade Receivables	19	5,921	4,577
Cash and Bank Balances	20	185	1,461
Short-Term Loans and Advances	21	1,628	1,676
Other Current Assets	22	45	90
		14,761	13,888
Total		38,323	37,389
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 Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

RAJIB CHATTERJEE
Partner
Membership No: 057134
Place: Noida
Date : May 17, 2016

For and on behalf of the Board

V.C. SEHGAL
Chairman

PANKAJ MITAL
Whole-time Director/
Chief Operating Officer

NORIYO NAKAMURA
Director

G.N. GAUBA
Chief Financial Officer &
Company Secretary

Statement of Profit and Loss

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

	Note	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
REVENUE			
Revenue from Operations (Gross)		59,009	54,811
Less: Excise Duty		5,889	4,961
Revenue from Operations (Net)	23	53,120	49,850
Other Income	24	2,083	858
Total		55,203	50,708
EXPENSES			
Cost of Materials Consumed	25	26,783	26,399
Purchase of Stock-in-Trade		2,187	2,192
Changes In Inventories of Finished goods, Work-in-progress and Stock-in-Trade	26	234	(611)
Employee Benefits Expense	27	6,869	6,028
Other Expenses	28	7,445	7,088
Total		43,518	41,096
Profit Before Finance Cost and Depreciation		11,685	9,612
Finance Costs	29	222	303
Profit before Depreciation and Amortization Expense		11,463	9,309
Depreciation and Amortisation Expense	30	2,008	2,071
Profit Before Tax		9,455	7,238
Tax Expenses			
-Current Tax (Refer Note 51)		2,515	2,348
-Deferred Tax Expense / (Credit)	14	(179)	(259)
Profit for the year		7,119	5,149
Earnings per share (Refer Note. 48)			
Nominal value per share : ₹ 1 (Previous year : ₹ 1)			
Basic: ₹ per share		5.38	3.89
Diluted: ₹ per share		5.38	3.89
Summary of Significant Accounting Policies	2		

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

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

RAJIB CHATTERJEE

Partner

Membership No: 057134

Place: Noida

Date : May 17, 2016

The notes are an integral part of these financial statements

For and on behalf of the Board

V.C. SEHGAL

Chairman

PANKAJ MITAL

Whole-time Director/
Chief Operating Officer

NORIYO NAKAMURA

Director

G.N. GAUBA

Chief Financial Officer &
Company Secretary

Cash Flow Statement

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

		For the year Ended	
		March 31, 2016	March 31, 2015
A.	Cash flow from operating activities:		
	Net profit before tax	9,455	7,238
	Adjustments for:		
	Depreciation	2,005	2,058
	Amortisation	3	13
	Profit on sale of tangible assets (net)	(41)	(55)
	Liabilities no longer required written back	(28)	(52)
	Bad debts/advances written off	2	6
	Provision for doubtful debts / advances	60	33
	Profit on sale of Investments	(445)	-
	Change in value of current investment*	(0)	(0)
	Provision for gratuity & compensated absences	56	171
	Provision for warranty	7	-
	Provision for diminution in the value of investment (net)	(15)	-
	Interest income	(68)	(95)
	Dividend income	(1,122)	(401)
	Interest and other finance cost	222	303
	Mark to Market Loss/(Gain)	15	21
	Unrealised foreign exchange loss (net)	210	203
	Operating profit before working capital changes	10,316	9,443
	Change in working Capital:		
	Increase/(Decrease) in Trade Payables	1,125	(28)
	Increase/(Decrease) in Other Payables	315	400
	(Increase)/Decrease in Trade Receivables	(1,333)	1,122
	(Increase)/Decrease in Inventories	(898)	(456)
	(Increase)/Decrease in Other Receivables	(166)	77
	Cash generated from operations	9,359	10,558
	- Taxes paid (net of refund)	(2,750)	(2,350)
	Net cash generated from operating activities	6,609	8,208
B.	Cash flow from Investing activities:		
	Purchase of tangible / intangible assets	(1,731)	(2,113)
	Sale of tangible assets	122	85
	Purchase of long term investments	304	(1,501)
	Loan to related parties	112	1,407
	Interest received	62	97
	Dividend received from subsidiaries	781	163
	Dividend received from others	264	220
	Proceeds from Government subsidy	39	57
	Net cash used in investing activities	(47)	(1,585)
C.	Cash flow from financing activities:		
	Dividend paid	(5,928)	(2,202)
	Dividend distribution tax	(1,006)	(375)
	Interest paid	(233)	(297)
	Proceeds from long term borrowings	122	-

		For the year Ended	
		March 31, 2016	March 31, 2015
	Proceeds/(Repayment) of working capital and other loans repayable on demand (net)	443	(1,025)
	Repayment of long term borrowings	(1,266)	(1,447)
	Net cash used in financing activities	(7,868)	(5,346)
	Net Increase/(Decrease) in Cash & Cash Equivalents	(1,306)	1,277
	Net Cash and Cash equivalents at the beginning of the year	1,441	165
	Cash and cash equivalents as at current year closing	135	1,442
	Cash and cash equivalents comprise		
	Cash on hand	11	10
	Cheques / drafts on hand	27	7
	Balances with banks	104	1,424
	Cash and cash equivalents as per Balance Sheet	142	1,441
	Effect of exchange differences on balances with banks in foreign currency	(7)	1
	Total	135	1,442

* 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 under Section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013).
- Figures in brackets indicate Cash Outflow.

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

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

RAJIB CHATTERJEE

Partner

Membership No: 057134

Place: Noida

Date : May 17, 2016

The notes are an integral part of these financial statements.

For and on behalf of the Board

V.C. SEHGAL

Chairman

PANKAJ MITAL

Whole-time Director/
Chief Operating Officer

NORIYO NAKAMURA

Director

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 was incorporated in India on 19th December, 1986 and is engaged primarily in the manufacture and sale of components to automotive original equipment manufacturers. Company has manufacturing plants in India and sells primarily in India, Europe and Japan. The Company is a public limited company and is presently listed on the Bombay Stock Exchange and National 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 section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014, till the standard of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the 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] of the Companies Act, 1956 and the other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation 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 Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in India requires the management to make estimates and assumptions that affect the reported amount of asset and liabilities as at Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statement are based upon management's evaluation of relevant facts and circumstances as at the date of the financial statements. Actual results could differ from estimates.

2.3 Tangible Assets

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any, except in case of 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.

Notes to the financial statements

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

- 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 under current assets. 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, based on the technical evaluation done by the management and is as below:

Assets	Useful lives (years)
Leasehold Land	Over the period of lease
Leasehold improvements	Over the period of lease
Building	30 years
Plant & Machinery	7.5 years*
Die and Moulds	6.17 years*
Electric Installation	10 years
Furniture & fixtures	6 years*
Office equipment	5 years
Computers	
-Servers and network	3 years*
- End user devices, such as, desktops, laptops etc.	3 years
Vehicles	4 years*

* Useful life of these assets are lower than the life prescribed under Schedule II to the Companies Act, 2013 and reflect actual usage of these assets.

2.4 Intangible Assets

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

Asset	Useful Lives (years)
Technical Knowhow Fees	3 years
Software	3 years

Notes to the financial statements

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

2.5 Borrowing Costs

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

2.6 Impairment of Assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. 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. For the purpose of assessing impairment, the recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. 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 (CGU). An asset or CGU whose carrying value exceeds its recoverable amount is considered impaired and is written down to its recoverable amount. 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. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

2.7 Investments

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

Investment Property

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

2.8 Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, 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.

Notes to the financial statements

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

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 recognised in the Statement of Profit and Loss.

Forward Exchange Contracts

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

Derivative Instruments

The Company has early 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 [Companies (Accounting Standards) Rules, 2006, as amended] 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 recognised when the significant 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 recognised as per terms of the contracts and are recognised net of service tax.

Notes to the financial statements

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

2.11 Other Income

Interest

Interest income is recognised 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 recognised on an accrual basis.

Dividend

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

2.12 Employee Benefits

Provident Fund & Employee State Insurance

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

Gratuity

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

Compensated Absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year 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 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.

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.

Notes to the financial statements

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

2.14 Current and Deferred Tax

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit 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. In situations, where the Company has unabsorbed depreciation or carry forward losses under tax laws, all deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each Balance Sheet date, the Company re-assesses 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.

2.15 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.

2.16 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 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.

Notes to the financial statements

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

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 recognised 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 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".

2.18 Cash and Cash Equivalents

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

2.19 Earnings Per Share (EPS)

Basic earnings per share 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, 2016	As At March 31, 2015
Authorised		
2,873,000,000 (Previous Year 2,873,000,000) Equity Shares of ₹ 1/- each	2,873	2,873
25,000,000 (Previous Year 25,000,000) 8% Convertible Cumulative Preference Shares of ₹ 10/- each	250	250
Issued		
1,322,879,040 ¹ (Previous Year 881,919,360) Equity Shares of ₹ 1/- each	1,323	882
Subscribed and Paid up		
1,322,879,040 ¹ (Previous Year 881,919,360) Equity Shares of ₹ 1/- each	1,323	882
Total	1,323	882

¹ During the current year, the Company has allotted 440,959,680 equity shares of ₹ 1/- each as bonus shares in proportion of one equity share for every two equity shares held.

a. Reconciliation of number of shares

Equity Shares:	As at March 31, 2016		As at March 31, 2015	
	Number	Amount	Number	Amount
Balance as at the beginning of the year	881,919,360	882	881,919,360	882
Add: Bonus Shares issued during the year by capitalisation of securities premium account	440,959,680	441	-	-
Balance as at the end of the year	1,322,879,040	1,323	881,919,360	882

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 preceeding March 31, 2016

	Aggregate No of Shares issued in last five years	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Equity shares allotted as fully paid bonus shares	930,914,880	440,959,680	-	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, 2016		March 31, 2015	
	Number	%	Number	%
Samvardhana Motherson International Limited	488,549,846	36.93%	325,566,564	36.92%
Sumitomo Wiring Systems Limited	334,520,781	25.29%	223,013,854	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 31,2016	As At March 31,2015
Capital Reserve		
Balance as at the beginning of the year	163	110
Additions during the year ¹	-	53
Deletion during the year*	(0)	-
Balance as at the end of the year	163	163
Reserve on Amalgamation		
Balance as at the beginning of the year	1,663	1,663
Addition during the year	-	-
Balance as at the end of the year	1,663	1,663
General Reserve		
Balance as at the beginning of the year	3,363	3,303
Transfer from Statement of Profit and Loss	-	60
Balance as at the end of the year	3,363	3,363
Revaluation Reserve		
Balance as at the beginning of the year	96	96
Additions during the year	-	-
Balance as at the end of the year	96	96
Securities Premium Account		
Balance as at the beginning of the year	3,226	3,226
Utilisation during the Year ²	(441)	-
Balance as at the end of the year	2,785	3,226
Surplus in Statement of Profit & Loss		
Balance as at the beginning of the year	11,628	9,776
Profit for the year	7,119	5,149
Less: Appropriations		
Transfer to General Reserve	-	(60)
Impact of change in estimated useful life of Fixed Assets	-	(52)
Interim Dividend	(3,307)	-
Proposed dividend	-	(2,646)
Tax on dividend	(467)	(539)
Balance as at the end of the year	14,973	11,628
Total	23,043	20,139

¹Being subsidy of ₹ Nil (Previous Year: ₹ 53 million) under Rajasthan Promotion Scheme 2010 w.r.t. units at Rajasthan recognised in accordance with Accounting Standard 12 "Accounting for Government Grants", notified under section 211(3C) [Companies (Accounting Standards) Rule, 2006, as amended].

²During the current year, the Company allotted 440,959,680 (Previous Year: ₹ Nil) equity shares of ₹ 1/- each as bonus shares by capitalisation of Securities Premium Account.

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

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 31,2016	As At March 31,2015	As At March 31,2016	As At March 31,2015
Secured				
Term Loans				
Foreign currency loans from banks	1,872	2,766	1,060	789
Indian rupee loan from other than banks	47	-	13	-
Unsecured				
Term Loans				
Foreign currency loan from bank	-	417	441	417
Indian rupee loan from other than banks	52	-	-	-
Less : Disclosed under Other Current Liabilities (Refer Note 10)	-	-	(1,514)	(1,206)
Total	1,971	3,183	-	-

a) Secured Loans

Nature of Security (In case of Secured Loans)	Principal Terms & Conditions
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.	1) ₹ Nil (Previous year : ₹ 125 million) fully repaid during the current year as per repayment schedule.
	2) ₹ Nil (Previous year : ₹ 78 million) fully repaid during the current year as per repayment schedule.
	3) ₹ Nil (Previous year : ₹ 117 million) fully repaid during the current year as per repayment schedule.
	4) ₹ 994 million (Previous Year : ₹ 1,188 million) repayable in remaining 5 half yearly instalments till August 2018.
	5) ₹ 596 million (Previous Year : ₹ 688 million) repayable in remaining 4 half yearly instalments till February 2018.
	6) ₹ 149 million (Previous Year : ₹ 234 million) repayable in remaining 3 half yearly instalments till August 2017.
	7) ₹ 1,193 million (Previous Year : ₹ 1,125 million) repayable in remaining 4 half yearly instalments starting from March 2017 till September 2018.
	The applicable rate of interest in respect of foreign currency loans from banks is within a range of 0.4% p.a. to 2.0% p.a. (Previous Year : 0.4% p.a. to 2.5% p.a) over 3 to 6 months US\$ Libor and 7.5% p.a. to 9.3% p.a. (Previous Year : 7.5% p.a. to 9.3% p.a) in respect of loans hedged for swap contracts.
Indian Rupee loan amounting to ₹ 60 million (Previous year : ₹ Nil) from other than banks for the purchase of Investment Property and is secured by that investment property.	₹ 60 million (Previous Year : ₹ Nil) repayable in remaining 49 monthly instalments till March 2020 carrying Interest rate of 10.40% p.a.

Notes to the financial statements

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

b) Unsecured Loans

Particulars	Terms of Repayment
The Company has given a negative lien on the assets purchased out of the said facility (Foreign Currency Loan)	₹ 441 million (Previous year ₹ 834 million) repayable entirely in January 2017 carrying interest rate of 6 month US \$ Libor + 200 bps.
Indian Rupee Loan from from other than banks	Interest free loan of ₹ 52 million (Previous Year: ₹ Nil) repayable in November 2022 entirely in one instalment, against which the bank guarantee is furnished by the company.

6 Other Long-Term Liabilities

	As At March 31,2016	As At March 31,2015
Retention money	35	11
Security deposits received	56	66
Advance recovery from employees	100	58
Total	191	135

7 Long-Term Provisions

	As At March 31,2016	As At March 31,2015
Provision for employee benefits		
- for Gratuity (Refer Note 44)	18	47
- for Compensated absences (Refer Note 44)	268	227
Total	286	274

8 Short-Term Borrowings

	As At March 31,2016	As At March 31,2015
Secured		
Working Capital Loans repayable on demand- from banks ¹		
Indian rupee loan	210	201
Other Short-Term Loans -from banks ²		
Indian rupee loan	600	-
Foreign currency loan	-	746
Unsecured		
Loans from banks		
Indian rupee loan	600	-
Total	1,410	947

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

² Other Short Term loans from banks 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.

Short term borrowings carry interest rate ranging from 9% to 12% p.a.

Notes to the financial statements

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

9 Trade Payables

	As At March 31,2016	As At March 31,2015
Total outstanding dues of micro and small enterprises (Refer Note 34)	49	25
Total outstanding dues of creditors other than micro and small enterprises	5,310	4,244
Total	5,359	4,269

10 Other Current Liabilities

	As At March 31,2016	As At March 31,2015
Current maturities of long-term debt (Refer Note 5)	1,514	1,206
Interest accrued but not due on borrowings	14	25
Unpaid dividends (Refer note (a) below)	41	15
Employee Benefits Payable	770	538
Statutory dues including Provident Fund and Tax Deducted at Source	410	355
Advances received from customers	1,321	1,270
Security Deposit Received	3	4
Advance recovery from employees	24	43
Total	4,097	3,456

(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. Section 125 of Companies Act,2013 which corresponds to section 205 C of the Companies Act,1956 has not yet been enforced.

11 Short-Term Provisions

	As At March 31,2016	As At March 31,2015
Provision for Employee Benefits		
Provision for gratuity (Refer Note 44)	121	106
Provision for compensated absences (Refer Note 44) ¹	80	51
Other Provisions		
Provision for warranties (Refer Note 50)	11	4
Provision for litigations (Refer Note 50)	6	13
Provision for dividend on equity shares	-	2,646
Provision for dividend tax on equity shares	-	539
Provision for income tax (Net of Advance Tax of ₹10,193 million (Previous Year ₹9,940 million))	425	743
Provision for wealth tax	-	2
Total	643	4,104

¹ ₹ 64 million (Previous year ₹ 42 million) include provision for unused entitlement of compensated absences in the nature of short term employee benefits.

Notes to the financial statements

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

12 Fixed Assets

Particulars	GROSS BLOCK					DEPRECIATION / AMORTIZATION				NET BLOCK
	As at April 1,2015	Additions during the year (refer note (a) below)	Disposals	Other Adjustments	As at March 31,2016	Upto April 1,2015	Charge for the Year (refer note (a) below)	Sale/ Adjustments	Upto March 31,2016	As at March 31, 2016
Tangible Assets (Own)										
Lease hold Land	1,353	-	-	-	1,353	106	14	-	120	1,233
Free hold Land	1,035	-	-	-	1,035	-	-	-	-	1,035
Leasehold improvements	108	5	-	-	113	22	13	-	35	78
Buildings	6,666	581	-	-	7,247	1,285	234	-	1,519	5,728
Plant & Machinery	15,733	851	319	1	16,266	9,094	1,643	241	10,496	5,770
Furniture & Fixtures	156	25	19	-	162	90	19	19	90	72
Office Equipment	213	20	24	-	209	143	27	23	147	62
Computers	392	60	32	1	421	351	31	32	350	71
Vehicles	269	21	108	-	182	222	29	106	145	37
Total Tangible Assets	25,925	1,563	502	2	26,988	11,313	2,010	421	12,902	14,086
Intangible Assets										
Software	59	-	-	-	59	53	3	-	56	3
Technical Knowhow fees	14	-	-	-	14	14	-	-	14	-
Total Intangible Assets	73	-	-	-	73	67	3	-	70	3

Particulars	GROSS BLOCK					DEPRECIATION / AMORTIZATION				NET BLOCK
	As at April 1,2014	Additions during the year (refer note (a) below)	Disposals	Other Adjustments	As at March 31,2015	Upto April 1,2014	Charge for the Year (refer note (a) below)	Sale/ Adjustments (refer note (b) below)	Upto March 31,2015	As at March 31, 2015
Tangible Assets (Own)										
Lease hold Land	1,223	130	-	-	1,353	92	14	-	106	1,247
Free hold Land	1,035	-	-	-	1,035	-	-	-	-	1,035
Leasehold improvements	53	55	-	-	108	11	11	-	22	86
Buildings	6,120	546	-	-	6,666	1,079	206	-	1,285	5,381
Plant & Machinery	14,282	1,660	209	-	15,733	7,489	1,703	98	9,094	6,639
Furniture & Fixtures	147	10	1	-	156	72	19	1	90	66
Office Equipment	193	21	1	-	213	113	31	1	143	70
Computers	369	31	8	-	392	326	32	7	351	41
Vehicles	349	12	92	-	269	259	50	87	222	47
Total Tangible Assets	23,771	2,465	311	-	25,925	9,441	2,066	194	11,313	14,612
Intangible Assets										
Software	54	5	-	-	59	42	11	-	53	6
Technical Knowhow fees	14	-	-	-	14	12	2	-	14	-
Total Intangible Assets	68	5	-	-	73	54	13	-	67	6

Notes:

- Includes depreciation of ₹ 7 million (Previous year ₹ 10 million) capitalized during the year on assests used for the creation of self generated assets (Moulds) of ₹ 85 million (Previous year of ₹ 65 million) included in the head Plant & Machinery. (Refer Note. 30)
- Includes ₹ Nil (Previous year ₹ 79 million) on account of change in estimated useful life based on internal technical assessment.

Notes to the financial statements

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

13 Non-Current Investments

Long Term Investments	As At March 31,2016	As At March 31,2015
Trade Investment property (at cost less accumulated depreciation)		
Cost of land and building given on operating lease	237	237
Add: Additions during the year	7	-
Less : Accumulated depreciation	11	9
Net Block (A)	233	228
Trade Investments (Unquoted instruments valued at cost unless stated otherwise):		
Long Term Investments		
Investment in Subsidiaries :		
MSSL Mauritius Holdings Limited		
37,820,080 equity shares (Previous year : 37,820,080) of Euro 1 each fully paid-up	2,304	2,244
Net of provision for other than temporary diminution aggregating to ₹ 50 million (Previous year : ₹ 110 million).		
MSSL Mideast (FZE)		
1 equity share (Previous year :1) of AED 150,000 equivalent to Euro 46,875 each fully paid-up	2	2
44,170,000 equity shares (Previous year : 44,170,000) of Euro 1 each fully paid-up.	3,111	3,111
Motherson Electrical Wires Lanka Private Limited		
1,456,202 equity shares (Previous year : 1,456,202) of Srilankan ₹ 10/- each fully paid-up	7	7
MSSL (S) PTE Ltd.		
20,554,700 equity shares (Previous year :14,554,700) of SGD 1/- each fully paid-up	960	673
Nil (Previous year : 4,500,000) 6% redeemable at par non convertible and non cumulative preference shares of SGD 1/- each fully paid-up.	-	123
Samvardhana Motherson Polymers Limited		
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
SMR Automotive Systems India Limited		
6,712,990 equity shares (Previous year : 6,712,990) of ₹ 10/- each fully paid-up	67	67
MSSL Automobile Component Limited		
50,000 equity shares (Previous year: 50,000) of ₹10/- each fully paid-up	1	1
(B)	6,727	6,503
Investment in joint ventures :		
Woco Motherson Elastomer Limited ¹		
Nil equity shares (Previous year : 1,139,333) of ₹ 10/- each fully paid-up	-	11
Woco Motherson Advanced Rubber Technologies Limited ¹		
Nil equity shares (Previous year : 666,667) of ₹ 10/- each fully paid-up	-	7
Samvardhan Motherson Nippisun Technology Limited		
4,455,000 equity shares (Previous year : 4,455,000) of ₹ 10/- each fully paid-up	-	45

Notes to the financial statements

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

Long Term Investments	As At March 31,2016	As At March 31,2015
Net of provision for other than temporary diminution aggregating to ₹ 45 million (Previous year :Nil).	-	-
Kyungshin Industrial Motherson Limited		
8,600,000 equity shares (Previous year :8,600,000) of ₹ 10/- each fully paid-up	86	86
Calsonic Kansei Motherson Auto Products Limited		
30,930,836 equity shares (Previous year:30,930,836) of ₹ 10/- each fully paid-up	400	400
(C)	486	549
Investment in Associates :		
Saks Ancillaries Limited	11	11
1,000,000 equity shares (Previous year:1,000,000) of ₹ 10/- each fully paid-up		
(D)	11	11
Others investments (Unquoted Instruments valued at cost):		
Motherson Air Travel Agencies Limited		
120,000 equity shares (Previous year:120,000) of ₹ 10/- each fully paid-up	1	1
Motherson Sumi INFotech & Designs Limited		
Nil 7% preference shares (Previous year:1,250,000) of ₹ 10/- each fully paid-up	-	13
1,200,000 Equity shares (Previous year:1,200,000) of ₹10/- each fully paid-up	14	14
Green Infra Wind Power Projects Limited		
120,000 Equity shares (Previous year:120,000) of ₹10/- each fully paid-up	1	1
(E)	16	29
Total (A+B+C+D+E)	7,473	7,320
Aggregate amount of unquoted investments	7,568	7,430
Aggregate provision for other than temporary diminution in value of investments	95	110

¹ During the year, the Company transferred its interest in the joint venture entities namely Woco Motherson Elastomer Limited (1,139,333 equity shares) and Woco Motherson Advanced Rubber Technologies Limited (666,667 equity shares) to the joint venture partner at a consideration of ₹ 373 million and recognised gain on sale of Joint Venture of ₹ 355 million and accordingly discontinued its joint venture with Woco Franz Josef Wolf Holding GmbH, Germany (joint venture partner) .

Notes to the financial statements

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

14 Deferred Tax Asset

	As At March 31,2016	As At March 31,2015
Depreciation (Refer Note (a) below)	157	22
Provision for Doubtful Debts	16	12
Provision for Doubtful Advances	18	-
Employee Benefits	159	137
Total	350	171

Note:

(a) Net Impact of ₹ Nil (Previous Year: ₹ 27 million) arising out of adjustment of WDV as at April 1, 2014 due to change in useful lives of fixed assets based on technical assessment.

15 Long-Term Loans and Advances

	As At March 31,2016	As At March 31,2015
Unsecured considered good (unless otherwise stated)		
Capital advances	312	339
Security deposits ¹	557	448
Loans and advances to related parties		
Considered good	-	92
Advances to be recoverable in cash or kind		
Unsecured, considered good	2	-
Other loans and advances		
Housing loan to employees	45	32
Prepaid expenses	4	10
Balances with Government Authorities	56	39
Total	976	960
¹ Includes security deposit given to Motherson (Partnership firm) in which Director of the Company is Partner *	0	0

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

16 Other Non-Current Assets

	As At March 31,2016	As At March 31,2015
Others Receivable (Subsidy receivable)	23	33
Total	23	33

Notes to the financial statements

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

17 Current Investments

	As At March 31,2016	As At March 31,2015
At cost or fair value, whichever is less		
Quoted (Non Trade)		
HDFC Bank Limited	0	0
2035 equity shares (Previous year :2035) of ₹ 2/- each fully paid-up		
Balrampur Chini Mills Limited	0	0
1,200 equity shares (Previous year :1,200) of ₹ 1/- each fully paid-up		
Jaysynth Dyechem Limited	0	0
100 equity shares (Previous year:100) of ₹ 10/- each fully paid-up		
GIVO Limited	0	0
28,475 equity shares (Previous year :28,475) of ₹ 10/- each fully paid-up		
Mahindra & Mahindra Limited	0	0
3,644 equity shares (Previous year:3,644) of ₹ 5/- each fully paid-up		
Arcotech Limited	0	0
200 equity shares (Previous Year :200) of ₹ 10/- each fully paid-up		
Unquoted (Non Trade)		
Pearl Engineering Polymers Limited *	-	-
3,160 equity shares (Previous year :3,160) of ₹ 10/- each fully paid-up		
Inox Leasing and Finance Limited *	-	-
100 equity shares (Previous year :100) of ₹ 10/- each fully paid-up		
Daewoo Motors Limited *	-	-
6,150 equity shares (Previous year :6,150) of ₹ 10/- each fully paid-up		
Athena Financial Services Limited. *	-	-
66 equity shares (Previous year : 66) of ₹ 10/- each fully paid-up		
Total	0	0
*Net of provision for diminution in the value of investment		
Aggregate amount of quoted investments	0	0
Market value of quoted investments	7	7
Aggregate amount of unquoted investments	-	-
Aggregate amount of Provision for Diminution in value of Investments	1	1

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, 2016	As At March 31, 2015
Raw materials	3,037	2,416
Raw materials in transit	1,124	613
Work-in-progress	1,070	1,109
Finished goods	1,003	865
Finished goods in transit	310	231
Stock-in-trade	428	840
Stores and spares	10	10
Total	6,982	6,084
Note:		
Details of Inventory:		
i) Raw Material		
Copper	61	94
Others*	4,100	2,935
	4,161	3,029
ii) Work-in-Progress		
Wiring Harness	722	650
Plastic Components	171	175
Tools & Moulds	136	169
Others*	41	115
	1,070	1,109
iii) Goods Manufactured (Finished Goods)		
Wiring Harness	1,015	828
Plastic Components	114	109
Wires	114	114
Others*	70	45
	1,313	1,096
iv) Traded Goods		
Tools & Moulds	428	838
Others*	-	2
	428	840

*No single inventory or component account for more than 10% of total inventory

Notes to the financial statements

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

19 Trade Receivables

	As At March 31,2016	As At March 31,2015
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	141	23
Others ¹	5,780	4,554
Unsecured, considered doubtful		
Outstanding for a period exceeding six months from the date they are due for payment	39	36
Others	8	-
Less: Provision for doubtful receivables	(47)	(36)
Total	5,921	4,577
¹ Includes receivables from companies in which Director of the Company is also a Director	122	10

20 Cash and Bank Balances

	As At March 31,2016	As At March 31,2015
Cash and Cash Equivalents		
Balances with banks:		
In current accounts	103	1,415
Deposits with original maturity of less than three months	1	9
Cheques and drafts on hand	27	7
Cash on hand	11	10
	142	1,441
Other bank balances		
Deposits with original maturity for more than three months but less than twelve months	2	5
Unpaid dividend accounts	41	15
	43	20
Total	185	1,461

Notes to the financial statements

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

21 Short-Term Loans and Advances

	As At March 31,2016	As At March 31,2015
Unsecured, considered good, unless otherwise stated:		
Security Deposit	1	1
Loans and Advances to related party		
Considered good ¹	348	419
Considered doubtful	51	-
Less: Provision for doubtful advances	(51)	-
Advances to be recoverable in cash or kind		
Considered good	264	237
Prepaid expenses	97	97
Loans to employees	63	52
Balances with Government Authorities	855	870
Total	1,628	1,676
¹ Includes advances to a private limited company in which Director of the Company is also Director	2	4

22 Other Current Assets

	As At March 31,2016	As At March 31,2015
Unsecured, considered good, unless otherwise stated:		
Other current receivables ¹	45	90
Total	45	90
¹Includes:		
Subsidy receivable	26	56
Mark to market gain on derivatives	19	34
Other receivables*	0	0
Total	45	90

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

23 Revenue from Operations (Net)

	For the year ended March 31,2016	For the year ended March 31,2015
Sales of Products		
Finished Goods		
Within India	46,401	44,456
Outside India	7,873	7,473
Traded Goods	3,950	2,231
Sales of Services	600	427
Other operating revenue		
Scrap sales	166	173
Job work income	19	51
Gross Total	59,009	54,811
Less: Excise Duty	5,889	4,961
Net Total	53,120	49,850

Notes to the financial statements

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

	For the year ended March 31,2016	For the year ended March 31,2015
Details of Sales (Finished Goods):		
Wiring Harness	38,445	35,332
Plastic Components	13,801	12,840
Wires	1,143	1,096
Others*	885	2,661
	54,274	51,929
Details of Sales (Traded Goods):		
Tools & Moulds	2,383	1,328
Others*	1,567	903
	3,950	2,231

*No single component account for more than 10% of total sales.

24 Other Income

	For the year ended March 31,2016	For the year ended March 31,2015
Interest Income		
On bank deposits	49	16
On others	19	79
Dividend Income		
From subsidiaries	858	181
From Joint Ventures	258	220
From other investments *	6	0
Lease rentals	81	84
Change in carrying amount of current investments *	0	0
Profit on sale of tangible assets (net)	41	55
Export Incentives	101	67
Liabilities no longer required written back	28	52
Exchange fluctuation (net) ¹	-	44
Profit on sale/redemption of Investments	445	-
Provision for diminution in Investment written back	60	-
Miscellaneous Income	137	60
Total	2,083	858

¹Includes foreign exchange loss on long term loan facilities of ₹Nil (Previous year: ₹ 193 million) and Mark to Market loss on derivatives of ₹ Nil (Previous year ₹ 21 million)

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

Notes to the financial statements

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

25 Cost of Materials Consumed (Refer Note 37)

	For the year ended March 31,2016	For the year ended March 31,2015
Opening stock of raw materials	2,416	2,594
Add : Purchases of raw materials	27,404	26,221
Less: Closing stock of raw materials	3,037	2,416
Cost of raw material consumed during the year	26,783	26,399

26 Changes In Inventories of Finished goods, Work-in- progress and Stock-in-Trade

	For the year ended March 31,2016	For the year ended March 31,2015
(Increase) / decrease in stocks		
Stock at the beginning of the year:		
Finished goods	1,096	969
Work-in-progress	1,109	1,213
Stock-in-trade	840	252
Total (A)	3,045	2,434
Less: Stock at the end of the year:		
Finished goods	1,313	1,096
Work-in-progress	1,070	1,109
Stock-in-trade	428	840
Total (B)	2,811	3,045
(Increase) /decrease in stocks (A-B)	234	(611)

27 Employee Benefits Expense

	For the year ended March 31,2016	For the year ended March 31,2015
Salary, Wages & Bonus	5,936	5,133
Contribution to Provident & Other Funds [Refer Note 44 (A)]	338	297
Gratuity [Refer note 44 (B)]	133	168
Staff Welfare Expenses	462	430
Total	6,869	6,028

Notes to the financial statements

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

28 Other Expenses

	For the year ended March 31,2016	For the year ended March 31,2015
Electricity, water and fuel	1,162	1,042
Repair and Maintenance:		
Machinery	512	502
Building	274	355
Others	227	232
Consumption of stores and spare parts (Refer Note 37) ⁴	520	530
Conversion charges	218	308
Excise duty expenses ¹	14	22
Lease rent (operating leases) (Refer Note 47)	504	419
Rates and taxes	44	53
Insurance	89	68
Net loss on foreign currency transaction and translation ²	155	-
Donation ³	38	17
Travelling	459	555
Freight and forwarding	895	869
Royalty	263	261
Cash Discount	13	117
Commission	34	32
Diminution in value of non current investments	45	-
Bad Debts/Advances written off	2	6
Doubtful Debts/Advances	60	33
Legal and professional expenses (Refer Note 41)	811	689
Miscellaneous expenses	1,106	978
Total	7,445	7,088

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

² Includes foreign exchange loss on long term loan facilities of ₹ 241 million (Previous year: ₹ Nil) and Mark to Market loss on derivatives of ₹ 15 million (Previous year ₹ Nil)

³ Includes expenditure towards Corporate Social Responsibility (CSR) activities of ₹23 million (Previous year ₹ 2 million) (Refer Note 52)

⁴ Excludes stores and spares consumed amounting to ₹488 million (Previous year: ₹475 million) which is charged to repair and maintenance machinery.

29 Finance Costs

	For the year ended March 31,2016	For the year ended March 31,2015
Interest Expense on:		
-Interest long-term borrowings	106	126
-Other borrowings	57	117
Other borrowing costs	59	60
Total	222	303

Notes to the financial statements

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

30 Depreciation and Amortisation Expense

	For the year ended March 31, 2016	For the year ended March 31, 2015
Depreciation on Tangible assets (Refer Note 12)	2,010	2,066
Amortization on Intangible assets (Refer Note 12)	3	13
Depreciation on Investment property (Refer Note 13)	2	2
Less : Capitalised during the year ¹	(7)	(10)
Total	2,008	2,071

¹Depreciation on assets used for creation of self generated assets. (Refer Note. 12)

31 Proposed Dividend

	For the year ended March 31, 2016	For the year ended March 31, 2015
On Equity shares of ₹ 1 each		
Amount of dividend proposed	-	2,646
Dividend per equity share	-	₹ 3.00 per share

32. Contingent Liabilities

	Particulars	As at March 31, 2016	As at March 31, 2015
	Claims against the Company not acknowledged as debts*		
a)	Excise Matters	56	56
b)	Sales Tax Matters	48	51
c)	Service Tax Matters	41	44
d)	Stamp Duty	3	5
e)	Claims made by Workmen	27	19
f)	Income Tax Matters	142	94
g)	Custom demand matters	59	59

*Against which Company has given bank guarantee amounting to ₹ 76 Million (Previous Year ₹ 62 Million)

- (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. Capital and Other Commitments

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Capital Commitments		
Estimated value of contracts in capital account remaining to be executed (net of advances of ₹ 312 Million (Previous Year ₹ 339 Million))	537	657
Total	537	657
(b) Other Commitments		
The Company has given corporate guarantees in respect of :		
i) Subsidiary Companies	1,389	1,982

Further, in respect of certain subsidiary companies (refer note 46), the Company has furnished letters of support to enable the said companies to continue their operations.

Notes to the financial statements

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

34. 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, 2016	As at March 31, 2015
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	49	25
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	3	1
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	380	194
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	1	1
Further interest remaining due and payable for earlier years*	1	0

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

35. Earnings in foreign currency:

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
FOB Value of Exports ¹	8,214	7,923
Dividend Received from Subsidiary	858	181
Service Income	50	48
Miscellaneous Income	56	41

¹Includes Deemed Exports of ₹468 million (Previous Year ₹ 511 million)

36. Dividend remitted in foreign currency:

i) Final Dividend on Equity Share Capital

	Particulars	Year ended March 31, 2016	Year ended March 31, 2015
a)	Final dividend paid during the year	679	566
b)	Number of non-resident shareholders	3	3
c)	No. of equity shares held by such non-resident shareholders (in millions)	226	226
d)	Year to which dividend relates to	2014-15	2013-14

Notes to the financial statements

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

ii) Interim Dividend on Equity Share Capital

	Particulars	Year ended March 31, 2016	Year ended March 31, 2015
a)	Interim dividend paid during the year	849	-
b)	Number of non-resident shareholders	3	-
c)	No. of equity shares held by such non-resident shareholders (in millions)	339	-
d)	Year to which dividend relates to	2015-16	-

37. Details of Consumption and Purchases

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

Raw Materials and Components	Year ended March 31, 2016	Year ended March 31, 2015
Copper	5,242	6,888
Different kind/ type of Resins	4,873	4,653
Others *	16,668	14,858
Total	26,783	26,399

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

(b) Value of imported and indigenous materials consumed

i) Raw Materials and Components (Refer Note 25)

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
	(%)	Amount	(%)	Amount
Imported	62	16,714	63	16,579
Indigenous	38	10,069	37	9,820
Total	100	26,783	100	26,399

ii) Stores and Spares (Refer Note 28)

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
	(%)	Amount	(%)	Amount
Imported	10	51	12	64
Indigenous	90	469	88	466
Total	100	520	100	530

(c) Purchase of Stock-in-trade

Type of Products	Year ended March 31, 2016		Year ended March 31, 2015	
	(%)	Amount	(%)	Amount
Moulds & Tools	56	1,217	74	1630
Others	44	970	26	562
Total	100	2,187	100	2,192

Notes to the financial statements

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

38. CIF Value of Imports:

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Raw Materials	16,851	16,290
Capital Goods	617	895
Store and Spares	243	151

39. Expenditure in foreign currency:

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Royalty	263	261
Travelling	127	142
Interest	99	126
Professional Fee	253	205
Technical Assistance Fees	4	8
Rent	13	13
Salaries and other Allowances	53	55
Others (includes training, bank charges, reimbursements etc.)	171	187

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

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Employee benefit expenses	123	117
Other expenses	59	56
Capital expenditure	4	1

41. Payment to Auditors: (Refer note (a) below)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Statutory Audit Fee	24	26
Others (fee for limited reviews & other assurance services)	17	13
Out of Pocket expenses	5	7
Total	46	46

Note (a): Included under Legal and professional expenses in note 28

Notes to the financial statements

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

42. Disclosure pursuant to the Regulation 34(3) read with para A of Schedule V to Securities And Exchange Board of India (Listing Obligations And Disclosures Requirements) Regulation, 2015:

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

Particulars	As at March 31, 2016	As at March 31, 2015
Loan to 100% Subsidiary : MSSL Handels GmbH		
Balance as at year end*	-	-
Maximum amount outstanding at any time during the year	-	6

*Fully provided for

Particulars	As at March 31, 2016	As at March 31, 2015
Loan to Subsidiary : Samvardhana Motherson Polymer Limited		
Balance as at year end	102	92
Maximum amount outstanding at any time during the year	102	92

Particulars	As at March 31, 2016	As at March 31, 2015
Loan to Joint Venture: Samvardhan Motherson Nippisun Technology Limited		
Balance as at year end	51	25
Maximum amount outstanding at any time during the year	51	25

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

Particulars	As at March 31, 2016	As at March 31, 2015
Loan to Motherson Auto Limited in which Director is a member		
Balance as at year end	-	-
Maximum amount outstanding at any time during the year	-	100

c) Investment by the loanees in the shares of the Company. The loanees have not made any investment in the shares of the company.

43. Derivative instruments and unhedged foreign currency exposure

a. Derivatives outstanding as at the reporting date

Particulars	Purpose	Currency	As at March 31, 2016	As at March 31, 2015
Interest Rate and Foreign Currency Swap	Hedge of external commercial borrowings and long term loans(Buy)	USD : INR	USD 2 ; ₹ 80*	USD 3 ; ₹ 163*

* At hedge rate

Notes to the financial statements

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

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

Currency	As at March 31, 2016 Payable / (Receivable)		As at March 31, 2015 Payable / (Receivable)	
	Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR
EUR	(2)	(115)	(3)	(204)
GBP*	0	2	(0)	(19)
JPY	1,890	1,117	1,030	540
USD	51	3,370	87	5428
SGD*	0	3	0	4
CHF*	0	6	0	1
AUD	(1)	(48)	(1)	(49)
THB	21	40	8	15
ZAR*	(0)	(1)	(0)	(1)

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

c. Mark to market losses / (gain)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Mark to Market loss accounted for	15	21

44. The long term defined employee benefits and contribution schemes are as under

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 authority (ESI) for the benefit of the employees.

Amount recognized in statement of Profit & Loss (Refer Note 27)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Provident Fund paid to authorities	281	242
Employee State Insurance paid to the authorities	57	55
Total	338	297

(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.

Notes to the financial statements

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

(i) Present Value of Defined Benefit Obligation

Particulars	March 31, 2016	March 31, 2015
Obligations at year beginning	613	421
Service Cost-Current	69	56
Interest Cost	48	38
Actuarial (gain)/loss	56	110
Benefit Paid	(11)	(11)
Addition due to the transfer of employee	14	(1)
Obligations at year end	789	613

(ii) Fair Value of Plan Assets

Particulars	March 31, 2016	March 31, 2015
Plan assets at year beginning, at fair value	460	367
Expected return on plan assets	47	35
Actuarial gain/(loss)	(7)	1
Contributions by the Company	146	67
Benefits Paid	(11)	(10)
Addition due to the transfer of employee	15	-
Plan assets at year end, at fair value	650	460
Actual Return on Plan Assets	43	22

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

Particulars	March 31, 2016	March 31, 2015
LIC of India	100%	100%
Total	100%	100%

Note: In respect of Employees Gratuity Fund, composition 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

Particulars	March 31, 2016	March 31, 2015
Present Value of defined benefit obligations	789	613
Fair Value of the plan assets	(650)	(460)
Amount recognized as Liability	139	153

Recognized under:

Particulars	March 31, 2016	March 31, 2015
Long Term Provision (Refer Note 7)	18	47
Short Term Provision (Refer Note 11)	121	106

Notes to the financial statements

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

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

Particulars	March 31, 2016	March 31, 2015
Service Cost-Current	69	56
Interest Cost	48	38
Expected return on plan assets	(47)	(35)
Actuarial (gain)/loss	63	109
Total Expenses	133	168

(vi) Actuarial Assumptions:

Particulars	March 31, 2016	March 31, 2015
Discount Rate	7.80%	7.90%
Future salary increases	8.00%	8.00%
Expected return on plan assets	8.50% - 9.10%	8.85%

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

Particulars	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Defined benefit obligations	789	613	421	367	247
Plan assets	(650)	(460)	(367)	(274)	(216)
Deficit/(Surplus)	139	153	54	93	31

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

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Gratuity	156	130

(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

Particulars	March 31, 2016	March 31, 2015
Obligations at year beginning	236	170
Service Cost – Current	21	39
Interest Cost	18	11
Actuarial (gain) / loss	18	27
Benefit Paid	(11)	(11)
Addition on transfer of employees	2	-
Obligations at year end	284	236

Notes to the financial statements

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

(ii) Assets and Liabilities recognized in the Balance Sheet

Particulars	March 31, 2016	March 31, 2015
Present Value of defined benefit obligations	284	236
Fair Value of the plan assets	-	-
Amount recognized as Liability	284	236

Recognized under:

Particulars	March 31, 2016	March 31, 2015
Long Term Provision (Refer Note 7)	268	227
Short Term Provision (Refer Note 11)	16	9
Total	284	236

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

Particulars	March 31, 2016	March 31, 2015
Service Cost-Current	21	39
Interest Cost	18	11
Expected return on plan assets	-	-
Actuarial (gain)/loss	18	27
Total Expenses	57	77

(iv) Actuarial Assumptions:

Particulars	March 31, 2016	March 31, 2015
Discount Rate	7.80%	7.90%
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

Particulars	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Defined benefit obligations	284	236	170	155	97
Plan assets	-	-	-	-	-
Deficit /(Surplus)	284	236	170	155	97

Notes to the financial statements

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

45. 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

Particulars	Automotive		Non- automotive		Unallocated		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Segment revenue								
External	50,184	46,764	3,202	3,259	1,750	590	55,136	50,613
Inter-segment	-	-	-	-	-	-	-	-
Total revenue	50,184	46,764	3,202	3,259	1,750	590	55,136	50,613
Results								
Segment result	7,737	6,559	395	349	-	-	8,132	6,908
Interest expense (net of Interest income)	-	-	-	-	155	208	155	208
Other Unallocable (net of Income)	-	-	-	-	(1,478)	(538)	(1,478)	(538)
Profit before taxation	-	-	-	-	-	-	9,455	7,238
Provision for taxation (net)	-	-	-	-	2,336	2,089	2,336	2,089
Net profit after tax	-	-	-	-	-	-	7,119	5,149
Other items								
Segment assets	28,588	27,886	1,495	1,586	8,144	7,821	38,227	37,293
Segment liabilities	8,461	6,917	121	143	5,375	9,305	13,957	16,365
Capital expenditure	1,764	2,231	47	57	4	53	1,815	2,341
Depreciation & Amortisation	1,904	1,942	71	96	33	33	2,008	2,071
Non-cash expenditure other than depreciation and impairment mentioned above	53	18	9	21	45	-	107	39

Notes to the financial statements

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

b) Information about Secondary Business Segment

Particulars	India		Outside India *		Unallocated		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue by geographical markets								
External	45,336	42,499	8,050	7,524	1,750	590	55,136	50,613
Total	45,336	42,499	8,050	7,524	1,750	590	55,136	50,613
Carrying amount of segment assets	28,184	28,296	1,899	1,176	8,144	7,821	38,227	37,293
Additions to tangible & intangible assets	1,811	2,288	-	0*	4	53	1,815	2,341

*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

46. Related Party Disclosures

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

I Relationships where control exists:

Subsidiaries of the Company:

1. MSSL Mauritius Holdings Limited
2. Motherson Electrical Wires Lanka Pvt. Ltd
3. MSSL Mideast (FZE)
4. MSSL (S) Pte Ltd.
5. MSSL Automobile Component Ltd
6. Samvardhana Motherson Polymers Ltd.
7. MSSL (GB) Limited
8. Motherson Wiring System (FZE)
9. MSSL GmbH
10. MSSL Tooling (FZE)
11. Samvardhana Motherson Invest Deutschland GmbH
12. MSSL Advanced Polymers s.r.o
13. Motherson Orca Precision Technology GmbH
14. MSSL s.r.l Unipersonale
15. Samvardhana Motherson Polymers Management Germany GmbH
16. Samvardhana Motherson Plastic Solutions GmbH & Co. KG
17. Motherson Techno Precision México, S.A. de C.V
18. MSSL Australia Pty Ltd
19. MSSL Ireland Pvt. Limited
20. Global Environment Management (FZC)
21. Global Environment Management Australia Pty Limited
22. Motherson Elastomers Pty Limited
23. Motherson Investments Pty Limited
24. MSSL Global RSA Module Engineering Limited
25. MSSL Japan Limited
26. Vacuform 2000 (Proprietary) Limited.

Notes to the financial statements

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

27. MSSL México, S.A. De C.V.
28. MSSL WH System (Thailand) Co., Ltd
29. MSSL Korea WH Limited
30. MSSL Consolidated Inc.
31. MSSL Overseas Wiring System Ltd., U.K.
32. MSSL Wiring System Inc., USA
33. Alphabet de Mexico, S.A. de C.V.
34. Alphabet de Mexico de Monclova, S.A. de C.V.
35. Alphabet de Saltillo, S.A. de C.V.
36. MSSL Wirings Juarez S.A. de C.V.
37. Samvardhana Motherson Global Holdings Ltd.
38. Samvardhana Motherson Automotive Systems Group B.V.
39. Samvardhana Motherson Reflectec Group Holdings Limited
40. SMR Automotive Technology Holding Cyprus Ltd.
41. SMR Automotive Mirror Parts and Holdings UK Ltd.
42. SMR Automotive Holding Hong Kong Limited
43. SMR Automotive Systems India Limited
44. SMR Automotive Systems France S. A.
45. SMR Automotive Mirror Technology Holding Hungary Kft
46. SMR Patents S.aR.L.
47. SMR Automotive Technology Valencia S.A.U.
48. SMR Automotive Mirrors UK Limited
49. SMR Automotive Mirror Services UK Ltd.
50. SMR Automotive Mirror International USA Inc.
51. SMR Automotive Systems USA Inc.
52. SMR Automotive Beijing Co. Limited
53. SMR Automotive Yancheng Co. Limited
54. SMR Automotive Mirror Systems Holding Deutschland GmbH
55. SMR Holding Australia Pty Limited
56. SMR Automotive Australia Pty Limited
57. SMR Automotive Mirror Technology Hungary Bt
58. SMR Poong Jeong Automotive Mirrors Korea Ltd.
59. SMR Automotive Beteiligungen Deutschland GmbH
60. SMR Hyosang Automotive Ltd.
61. SMR Automotive Mirrors Stuttgart GmbH
62. SMR Automotive Systems Spain S.A.U.
63. SMR Automotive Vision Systems Mexico S.A. de C.V.
64. SMR Automotive Servicios Mexico S.A. de C.V.
65. SMR Grundbesitz GmbH & Co. KG
66. SMR Automotive Brasil LTDA
67. SMR Automotive System (Thailand) Limited
68. SMR Automotives Systems Macedonia Dooel Skopje
69. SMR Automotive Operations Japan K.K.
70. SMR Automotive (Langfang) Co. Ltd.
71. SMR Automotive Vision System Operations USA INC
72. SMR Mirror UK Limited
73. Samvardhana Motherson Peguform GmbH
74. SMP Automotive Interiors (Beijing) Co. Ltd
75. SMP Deutschland GmbH
76. SMP Logistik Service GmbH
77. SMP Automotive Solutions Slovakia s.r.o
78. Changchun Peguform Automotive Plastics Technology Co. Ltd

Notes to the financial statements

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

79. Foshan Peguform Automotive Plastics Technology Co. Ltd.
80. SMP Automotive Technology Management Services (Changchun) Co. Ltd.
81. SMP Automotive Technology Iberica S.L
82. Samvardhana Motherson Peguform Barcelona S.L.U
83. SMP Automotive Technologies Teruel Sociedad Limitada
84. Samvardhana Motherson Peguform Automotive Technology Portugal S.A
85. SMP Automotive Systems Mexico S.A. de C.V
86. SMP Automotive Produtos Automotivos do Brasil Ltda.
87. SMP Automotive Exterior GmbH
88. Samvardhana Motherson Innovative Autosystems B.V. & Co. KG (known as SMIA BV & Co. KG)
89. Samvardhana Motherson Innovative Autosystems Holding Company BV
90. SM Real Estate GmbH
91. Samvardhana Motherson Innovative Autosystems de México, S.A. de C.V
92. Samvardhana Motherson Real Estate Unit de México, S.A. de C.V. . (Merged with Samvardhana Motherson Innovative Autosystems de México, S.A. de C.V. w.e.f. 07.10.2015)
93. SMIA de México Administrative Services, S.A. de C.V. (Merged with Samvardhana Motherson Innovative Autosystems de México, S.A. de C.V. w.e.f. 07.10.2015)
94. SMP Automotive Systems Alabama Inc. (become the subsidiary w.e.f. 30.06.2015)
95. Motherson Innovations Company Limited, U.K. (incorporated on 18.11.2015)
96. Motherson Innovations Deutschland GmbH (become the subsidiary w.e.f. 26.02.2016)
97. Samvardhana Motherson Global (FZE) (become the subsidiary w.e.f. 03.02.2016)

II. Other Related Parties

a. Joint Ventures:

1. Kyungshin Industrial Motherson Pvt. Ltd. (converted into Pvt. Ltd. w.e.f. 06.04.2015)
2. Calsonic Kansei Motherson Auto Products Pvt. Ltd.
3. Samvardhana Motherson Nippisun Technology Ltd.
4. Woco Motherson Elastomer Ltd. (discontinued from 28.05.2015) (Refer Note 13)
5. Woco Motherson Advanced Rubber Technologies Ltd. (discontinued w.e.f. 28.05.2015) (Refer Note 13)
6. Woco Motherson Limited (FZC) (discontinued w.e.f. 28.05.2015)
7. Ningbo SMR Huaxiang Automotive Mirrors Co. Limited
8. Chongqing SMR Huaxiang Automotive Products Limited
9. Celulosa Fabril (Cefa) S.A. (Zaragoza, ES)
10. Modulos Rivera Alta S.L.U.
11. Eissmann SMP Automotive interieur Slovakia s.r.o.

b. Associate Companies:

1. Saks Ancillaries Limited
2. Re-time Pty Limited

c. Key Management Personnel:

i) Board of Directors: (From 01.04.2015 to 31.03.2016)

1. Mr. Vivek Chaand Sehgal
2. Mr. Laksh Vaaman Sehgal
3. Mr. S C Tripathi, IAS (Retd.)
4. Maj. Gen. Amarjit Singh (Retd.) (resigned w.e.f. 28.07.2015)

Notes to the financial statements

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

5. Mr. Toshimi Shirakawa
6. Mr. Arjun Puri
7. Mr. Gautam Mukherjee
8. Ms. Geeta Mathur
9. Mr. Naveen Ganzu (appointed on 14.10.2015)
10. Ms. Noriyo Nakamura
11. Mr. Pankaj Mital

ii) Other Key Management Personnel:

1. Mr. G.N. Gauba
2. Mr. Sanjay Mehta

iii) Relatives of Key Management Personnel:

1. Ms. Renu Sehgal (Wife of Mr. V.C. Sehgal)
2. Ms. Vidhi Sehgal (Daughter of Mr. V.C. Sehgal)
3. Ms. Geeta Soni (Sister of Mr. V.C. Sehgal)
4. Ms. Neelu Mehra (Sister of Mr. V.C. Sehgal)
5. Ms. Samriddhi Sehgal (Wife of Mr. L.V. Sehgal)
6. Master Siddh Vaasav Sehgal (Son of Mr. L.V. Sehgal)

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

1. Motherson Auto Limited
2. Motherson Air Travel Agencies Limited
3. Ganpati Auto Industries (Partnership Firm)
4. Southcity Motors Private Limited
5. Motherson Techno Tools Limited
6. Motherson Techno Tools Mideast (FZE)
7. SWS India Management & Support Service (P) Limited
8. Vaaman Auto Industry (Partnership Firm)
9. MothersonSumi INFotech and Designs Limited
10. Motherson Engineering Research and Integrated Technologies Limited
11. Moon Meadows Private Limited
12. Sisbro Motor and Workshop Private Limited
13. NACHI Motherson Tool Technology Limited
14. Motherson (Partnership Firm)
15. Samvardhana Motherson International Limited
16. A Basic Concepts Design Pty Limited
17. ATAR Mauritius Private Limited
18. Motherson Auto Solutions Limited
19. Motherson Machinery and Automations Limited
20. Spheros Motherson Thermal System Limited
21. Matsui Technologies India Limited
22. Motherson Moulds and Diecasting Limited
23. Anest Iwata Motherson Private Limited
24. Field Motor Private Limited
25. AES (India) Engineering Limited
26. Motherson Auto Engineering Service Ltd
27. Anest Iwata Motherson Coating Equipment Pvt. Ltd.
28. Nissin Advanced Coating Indo Co. Pvt. Ltd.
29. Magneti Marelli Motherson India Holding B.V.

Notes to the financial statements

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

30. Magneti Marelli Motherson Auto System Pvt. Ltd. (converted into Pvt. Ltd. w.e.f. 18.04.2015)
31. Samvardhana Motherson Finance Services Cyprus Limited
32. Samvardhana Motherson Refrigeration Product Limited
33. Samvardhana Motherson Virtual Analysis Ltd.
34. Tigers Connect Travel Systems and Solutions Limited
35. Samvardhana Motherson Holding (M) Private Limited
36. Motherson Advanced Tooling Solutions Limited
37. SCCL Infra Projects Limited
38. SCCL Global Project (FZE)
39. Fritzmeier Motherson Cabin Engineering Private Limited
40. Air Factory Energy Limited
41. CTM India Limited.
42. MSID U.S. Inc
43. Motherson Consultancies Service Limited
44. Spirited Auto Cars (I) Limited
45. Motherson Lease Solution Limited
46. Systematic Conscom Limited
47. MAS Middle East Ltd. (FZE)
48. Nachi Motherson Precision Pvt. Ltd.
49. Motherson Bergstrom HVAC Solutions Private Limited
50. Motherson Sintermetal Technology Limited
51. Advanced Technologies and Auto Resources Pte. Ltd.
52. Edcol Global Pte. Limited
53. Motherson Innovative Technologies and Research
54. Radha Rani Holdings Pte Ltd
55. Shri Sehgal's Trustee Company Private Limited
56. Nirvana Niche Products Private Limited
57. Nirvana Foods GmbH
58. Magneti Marelli Motherson Shock Absorbers India Private Limited
59. Samvardhana Motherson Auto System Private Limited
60. Samvardhana Motherson Auto Component Private Limited
61. Mothersonsumi Infotech and Designs SG Pte. Ltd.
62. Mothersonsumi Infotech & Designs KK
63. MothersonSumi INFotekk and Design GmbH
64. Motherson Invenzen XLab Private Limited (formerly known as Invenzen Technologies Pvt. Ltd.)
65. Motherson Sintermetal Products S.A.

e. Joint Venturer:

1. Sumitomo Wiring Systems Limited, Japan
2. Kyungshin Corporation, Korea
3. Woco Franz Josef Wolf Holding GmbH, Germany (discontinued w.e.f. 28.05.2015)
4. Calsonic Kansei Corporation, Japan
5. E-Compost Pty. Limited, Australia
6. Dremotech GmbH & Co. KG., Germany
7. Cross Motorsport Systems AG
8. Blanos Partners S.L.
9. Changshu Automobile Interior Decoration Co., Ltd
10. Ningbo Huaxiang Electronic Co., Ltd.
11. Eissmann Automotive Slovensko s.r.o
12. Nippon Pigment(s) Pte. Ltd.
13. Toyota Tsusho Corporation, Japan

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 46 (I) above		Parties mentioned in 46 (II) (a) above		Parties mentioned in 46 (II) (b) & (d) above		Parties mentioned in 46 (II) (e) above		Parties mentioned in 46 (II) (c) above	
		Current Year	Previous year	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year
1	Sale of Goods	5,044	4,315	938	905	130	188	504	550	-	-
2	Rendering of Services	56	36	346	298	10	12	-	-	-	-
3	Rent Income	-	-	38	45	31	39	-	-	-	-
4	Sale of Fixed Assets	-	14	-	-	-	0#	-	-	-	-
5	Purchase of Goods	897	945	18	45	1,160	1,171	878	868	-	-
6	Purchase of Fixed Assets	11	0#	-	-	768	647	166	45	-	-
7	Purchase of Services	92	49	1	5	935	987	47	25	-	-
8	Lease Rent Paid	-	-	-	-	400	327	-	-	5*	4*
9	Reimbursement Made	85	96	0#	0#	37	22	1	0#	0#	-
10	Reimbursements Received	81	289	15	7	7	6	0#	-	-	-
11	Investments made during the year	287	1,501	-	-	-	-	-	-	-	-
12	Sale of Shares	-	-	-	-	-	-	373	-	-	-
13	Redemption of Preference Shares	213	-	-	-	13	-	-	-	-	-
14	Royalty and Technical fee	-	-	-	-	-	-	263	256	-	-
15	Remuneration/ Sitting Fees/ Commission of Directors & Key Management Person # #	-	-	-	-	-	-	-	-	53	42
16	Interest Income	7	45	4	3	-	11	-	-	-	-
17	Dividend Paid	-	-	-	-	2,205	816	1,505	558	180**	67**
18	Dividend Received	858	181	258	215	6	5	-	-	-	-
19	Loans Given during the year	15	-	35	25	-	-	-	-	-	-
20	Loans Received back during the year	-	1,398	10	25	-	109	-	-	-	-
21	Security Deposits Received Back	-	-	-	-	6	23	-	-	-	-

Notes to the financial statements

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

S. No	Particulars	Parties mentioned in 46 (I) above		Parties mentioned in 46 (II) (a) above		Parties mentioned in 46 (II) (b) & (d) above		Parties mentioned in 46 (II) (e) above		Parties mentioned in 46 (II) (c) above	
		Current Year	Previous year	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year
22	Security Deposits Given	-	-	-	-	101	122	-	-	-	-
23	Security Deposits Repaid	-	-	6	-	7	5	-	-	-	-
24	Capital Advances given	-	-	-	-	19	4	-	-	-	-
Balances as at year end											
25	Investments	6,777	6,613	531	549	26	39	-	-	-	-
26	Loans Receivable (Including Interest Accrued)	102	92	51	25	-	-	-	-	-	-
27	Advances Recoverable	4	6	2	5	240	384	-	-	-	-
28	Security Deposits Received	-	-	36	42	20	27	-	-	-	-
29	Security Deposits Given	-	-	-	-	371	276	-	-	-	-
30	Guarantees Closing	1,389	1,982	-	-	-	-	-	-	-	-
31	Trade Payables	168	158	2	5	378	292	338	207	-	-
32	Trade Receivables	1,048	813	101	113	35	28	38	54	-	-
33	Advances from Customers	21	60	0#	0#	-	-	0#	-	-	-
34	Capital Advances	-	-	-	-	19	4	-	-	-	-

The Company has given letter of support to its subsidiary Global Environment Management Australia Pty Ltd. to enable it to continue their operations.

*Rent of ₹ 5 million (Previous Year ₹ 4 million) paid to Mr. V.C Sehgal, Mr. Laksh Vaaman Sehgal, Ms. Renu Sehgal, and Ms. Vidhi Sehgal.

**Dividend of ₹ 180 million (Previous Year ₹ 67 million) paid to Mr. V. C. Sehgal, Mr. Laksh Vaaman Sehgal, Ms. Renu Sehgal, Ms. Neelu Mehra, Ms. Geeta Soni, Mr. Pankaj Mital, Mr. G.N. Gauba. Ms. Geeta Mathur, Mr. Naveen Ganzu.

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.

Notes to the financial statements

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

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

Nature	Party Name	Relation	2015-16	2014-15
			Amount	Amount
Sale of Goods	MSSL Japan Limited	Subsidiary	1,131	923
	SMR Automotive Mirror Technology Hungary Bt	Subsidiary	1,117	1,035
	Kyungshin Industrial Motherson Pvt. Ltd.	Joint Venture	813	766
Rendering of Services	MSSL Global RSA Module Engineering Limited	Subsidiary	50	31
	Kyungshin Industrial Motherson Pvt. Ltd.	Joint Venture	330	288
Rent Income	Calsonic Kansei Motherson Auto Products Pvt. Ltd.	Joint Venture	31	28
	WOCO Motherson Elastomer Limited	Joint Venture	-	12
	Motherson Moulds and Diecasting Limited	Control	10	9
	Motherson Sintermetal Technology Limited	Control	7	12
	Magneti Marelli Motherson Auto System Pvt. Ltd.	Control	8	9
Sale of Fixed Asset	MSSL GmbH	Subsidiary	-	14
Purchase of Goods	Motherson Electrical Wires Lanka Pvt. Ltd.	Subsidiary	308	380
	MSSL (GB) Limited	Subsidiary	338	420
	CTM India Limited.	Control	474	418
	Edcol Global Pte. Limited	Control	552	515
	Sumitomo Wiring Systems Limited, Japan	Joint Venturer	847	828
Purchase of Fixed Assets	Systematic Conscom Limited	Control	624	573
	Sumitomo Wiring Systems Limited, Japan	Joint Venturer	164	40
Purchase of Services	Motherson Auto Limited	Control	149	142
	Motherson Air Travel Agencies Limited	Control	203	172
	Motherson Sumi Infotech & Designs Limited	Control	297	302
	Saks Ancillaries Limited	Associate	63	168
Rent Paid	Motherson Auto Limited	Control	107	81
	Motherson Lease Solution Limited	Control	272	217
Reimbursement Made	MSSL (S) Pte Ltd.	Subsidiary	21	20
	MSSL (GB) Limited	Subsidiary	21	24
	MSSL S.r.l. Unipersonal	Subsidiary	10	14
	SMR Automotive Systems USA Inc.	Subsidiary	25	26
Reimbursement Received	MSSL GmbH	Subsidiary	46	36
	MSSL Consolidated Inc.	Subsidiary	1	234
Investment made during the year	MSSL (S) Pte Ltd.	Subsidiary	287	-
	MSSL Mideast (FZE)	Subsidiary	-	1,501
Sale of Shares	Woco Franz Josef Wolf Holding GmbH, Germany	Joint Venturer	373	-
Redemption of Preference Shares	MSSL (S) Pte Ltd.	Subsidiary	213	-
Royalty & Technical fee	Sumitomo Wiring Systems Limited, Japan	Joint Venturer	262	256

Notes to the financial statements

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

Nature	Party Name	Relation	2015-16	2014-15
			Amount	Amount
Remuneration / Sitting Fees of Directors & Key Management Personnel	Mr. Pankaj Mital	KMP	15	12
	Mr. G. N. Gauba	KMP	13	11
	Mr. Sanjay Mehta	KMP	9	7
Interest Income	Samvardhana Motherson Polymers Ltd.	Subsidiary	7	45
	Samvardhana Motherson Nippisun Technology Ltd.	Joint Venture	4	3
	Motherson Auto Limited	Control	-	11
Dividend Paid	Samvardhana Motherson International Limited	Control	2,198	814
	Sumitomo Wiring Systems Limited, Japan	Joint Venturer	1,505	558
Dividend Received	Motherson Electrical Wires Lanka Pvt. Ltd.	Subsidiary	776	181
	Kyungshin Industrial Motherson Pvt. Ltd.	Joint Venture	258	215
Loans given during the year	Samvardhana Motherson Polymers Ltd.	Subsidiary	15	-
	Samvardhana Motherson Nippisun Technology Ltd.	Joint Venture	35	25
Loans Received back during the year	Samvardhana Motherson Polymers Ltd	Subsidiary	-	1,398
	Samvardhana Motherson Nippisun Technology Ltd.	Joint Venture	10	-
Security Deposits Received back	Motherson Auto Limited	Control	1	21
	Motherson Lease Solution Limited	Control	5	2
Security Deposit Given	Motherson Auto Limited	Control	40	7
	Motherson Lease Solution Limited	Control	61	115
Security Deposit Repaid	WOCO Motherson Elastomer Limited	Joint Venture	6	-
	CTM India Limited	Control	5	5
	Saks Ancillaries Limited	Control	1	-
Capital Advances given	CTM India Limited	Control	-	4
	Motherson Moulds and Diecasting Limited	Control	4	0*
	Systematic Conscom Limited	Control	15	-
Balances as at year end				
Loan Receivable	Samvardhana Motherson Polymers Ltd.	Subsidiary	102	92
	Samvardhana Motherson Nippisun Technology Ltd.	Joint Venture	51	25
Advances Receivable	CTM India Limited	Control	157	214
	Motherson Moulds and Diecasting Limited	Control	24	21
	Motherson Auto Limited	Control	27	120
	Systematic Conscom Limited	Control	26	23
Security Deposits Received	Kyungshin Industrial Motherson Pvt. Ltd.	Joint Venture	30	30
	CTM India Limited	Control	13	18
Security Deposits Given	Motherson Auto Limited	Control	105	65
	Motherson Lease Solution Limited	Control	267	210

Notes to the financial statements

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

Nature	Party Name	Relation	2015-16	2014-15
			Amount	Amount
Guarantee Closing	MSSL (GB) Limited	Subsidiary	190	186
	MSSL Global RSA Module Engineering Limited	Subsidiary	547	516
	MSSL Mideast (FZE)	Subsidiary	-	937
	MSSL México, S.A. De C.V.	Subsidiary	398	206
	MSSL WH System (Thailand) Co. Ltd.	Subsidiary	255	137
Trade Payable	Edcol Global Pte. Ltd.	Control	113	49
	Sumitomo Wiring Systems Limited, Japan	Joint Venturer	333	197
Trade Receivable	MSSL Japan Limited	Subsidiary	230	157
	MSSL WH System (Thailand) Co. Ltd.	Subsidiary	176	62
	SMR Automotive Mirror Technology Hungary Bt	Subsidiary	171	127
Advances from Customer	SMP Deutschland GmbH	Subsidiary	20	40
	SMP Automotive Technology Iberica S.L.	Subsidiary	-	11
	SMR Automotive System India Limited	Subsidiary	-	9
Capital Advances	CTM India Limited	Control	-	4
	Motherson Moulds and Diecasting Limited	Control	4	0*
	Systematic Conscom Limited	Control	15	-

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

47. Leases

As a lessee:

(i) Operating Lease

The Company has significant operating leases for premises, plant & machinery, vehicles and computers. These lease arrangements range for a period between 11 months and 15 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. Refer below the details of operating lease :

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Lease payments recognized in the Statement of Profit and Loss during the year	500	415

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

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Not Later than one year	11	7
Later than one year and not later than five years	17	18
Later than 5 years	9	11

Notes to the financial statements

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

48. Earnings per share

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
(a) Basic		
Net profit after tax available for equity Shareholders (₹ in Millions) -(A)	7,119	5,149
Equity Shares outstanding at year end ¹	1,322,879,040	881,919,360
Add: Bonus shares issued by the capitalization of securities premium account	-	440,959,680
Weighted average number of equity shares used to compute basic earnings per share- (B)	1,322,879,040	1,322,879,040
Basic earnings (in Rupees) per share of ₹ 1/- each. (Previous Year ₹ 1/- each) (A/B)	5.38	3.89
(b) Diluted		
Net profit after tax available for equity Shareholders (₹ in Millions) -(A)	7,119	5,149
Weighted average number of equity shares used to compute diluted earnings per share- (B)	1,322,879,040	1,322,879,040
Diluted earnings (in Rupees) per share of ₹ 1/- each. (Previous Year ₹ 1/- each) (A/B)	5.38	3.89

¹During the current year, the Company had allotted 440,959,680 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.

49. Interests in Joint Ventures:

The Company's direct interests, as a venturer, in jointly controlled entities as at March 31, 2016 are:

Name of the Company	Country of Incorporation	Proportion of ownership interest as at March 31, 2016	Proportion of ownership interest as at March 31, 2015
Kyungshin Industrial Motherson Limited	India	50%	50%
Woco Motherson Elastomer Limited (discontinued w.e.f. 28.05.2015)	India	-	33.33%
Woco Motherson Advanced Rubber Technologies Limited (discontinued w.e.f. 28.05.2015)	India	-	33.33%
Calsonic Kansei Motherson Auto Products Limited	India	49%	49%
Samvardhana Motherson Nippisun Technology Ltd	India	49.5%	49.5%

Notes to the financial statements

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

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	As at March 31, 2016	As at March 31, 2015
Assets:		
Tangible Assets	817	971
Intangible Assets	8	5
Capital Work in Progress	11	59
Intangible Asset under development	-	4
Deferred tax assets(Net)	24	26
Long-term loans and advances	288	356
Other non-current assets	0*	0*
Inventories	825	779
Trade Receivables	913	865
Cash and Bank balances	555	592
Short-term loans and advances	225	262
Other current assets	-	15
Liabilities		
Long-term borrowings	612	758
Other long-term liabilities	2	2
Long-term provision	23	19
Short-term borrowings	302	430
Trade Payables	788	773
Other current liabilities	329	223
Short-term provisions	68	89
Income		
Revenue from operations (net of excise duty)	7,662	7,224
Other Income	47	84
Expenses		
Cost of Materials Consumed	5,234	5,064
Changes in inventories of finished goods work-in-progress and Stock-in-trade	(38)	(13)
Employee benefits expense	622	533
Other expenses	797	706
Finance Costs	99	119
Depreciation and amortization expense	161	137
Provision for current and deferred tax	285	314
Profit after Tax	549	448
Contingent Liabilities		
In respect of Excise, Sales tax, Income Tax & Service tax matters	12	35
Bank Guarantees	-	2
Capital Commitment	14	10

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

Notes to the financial statements

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

50. 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, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Opening Balance	4	4	13	17
Provided during the year	7	-	-	-
Reversed during the year	-	-	-	-
Utilised during the year	-	-	7	4
Closing Balance	11	4	6	13

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 excise, entry tax and octroi 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

51. Current tax expense is net off provision for income tax for earlier years written back amounting to ₹ 386 million (Previous year: ₹ Nil) due to completion of tax assessments for earlier year.

52. As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Company. The areas for CSR activities are of Skill Development and Vocation based education, Livelihood enhancement, Waste management and Sanitation, Environmental sustainability, Women and youth empowerment, Disaster relief, National Missions projects which are specified in Schedule VII of the Companies Act, 2013.

The Company is in the process of further formalising the process on CSR spends and hence has contributed ₹23 million on promotion of girls education during the year as against ₹136 million required to be spent in accordance with Section 135 of the Act.

53. 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 "arm's 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.

54. Previous year figures have been reclassified to conform to this year's classification.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

For and on behalf of the Board

RAJIB CHATTERJEE
Partner
Membership No: 057134
Place: Noida
Date : May 17, 2016

V.C. SEHGAL
Chairman

PANKAJ MITAL
Whole-time Director/
Chief Operating Officer

NORIYO NAKAMURA
Director

G.N. GAUBA
Chief Financial Officer &
Company Secretary

Motherson Sumi Systems Limited
Consolidated Financial
Statements
2015-16

Independent Auditors' Report

To the Members of Motherson Sumi Systems Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Motherson Sumi Systems Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its jointly controlled entities and associate companies; (refer Note 42 to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and jointly controlled entities in accordance with accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 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 Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and jointly controlled entities

respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
5. 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 auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates

made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 8 of the Other Matters paragraph below, other than the unaudited financial statements/ financial information as certified by the management and referred to in sub-paragraph 9 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

8. We did not audit the financial statements/financial information of 23 subsidiaries, and 4 jointly controlled entities whose financial statements/ financial information reflect total assets of ₹ 169,514 million and net assets of ₹ 28,260 million as at March 31, 2016, total revenue of ₹ 322,878 million, net profit of ₹ 6,209 million and net cash flows amounting to ₹ 767 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and jointly controlled entities, is based solely on the reports of the other auditors.
9. We did not audit the financial statements/financial information of 39 subsidiaries whose financial statements/ financial information reflect total assets of ₹ 7,022 million and net assets of ₹ 2,786 million as at March 31, 2016, total revenue of ₹ 5,900 million, net

profit of ₹ 379 million and net cash flows amounting to ₹ 639 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ 1 million for the year ended March 31, 2016 as considered in the consolidated financial statements, in respect of 1 associate Company whose financial statements / financial information have not been audited by us. These financial statements/ financial information are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate companies and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associate, is based solely on such unaudited financial statements/ financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ financial information are not material to the Group.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

10. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our Knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group, associate companies and jointly controlled entities incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and a subsidiary company, the reports of other auditors in respect of entities audited by them and

representation received from the management for entities un-audited (also refer paragraphs 8 and 9 above).

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group, associate companies and jointly controlled entities incorporated in India including relevant records relating to the preparation of the consolidated financial statements as it appears from our examination of those books and records of the Holding Company and a subsidiary company, the reports of other auditors in respect of entities audited by them and representation received from the management for entities un-audited (also refer paragraphs 8 and 9 above).
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 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 Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company and a subsidiary company incorporated in India as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the subsidiary company respectively and the reports of the other auditors in respect of entities audited by them and representation received from the management for entities un-audited, for all the entities incorporated in India (also refer paragraphs 8 and 9 above), none of the directors of the subsidiary companies, its associate company and jointly controlled companies incorporated in India are disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the

Holding Company, its subsidiary companies, associate companies and jointly controlled companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2016 on the consolidated financial position of the Group, its associates and jointly controlled entities– Refer Note 34 and Note 44 to the consolidated financial statements.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2016– Refer (a) Note 36 (c) and 36 (e) to the consolidated financial statements in respect of such items as it relates to the Group, its associates and jointly controlled entities and (b) the Group's share of net loss in respect of its associates.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate company and jointly controlled companies incorporated in India during the year ended March 31, 2016, based on the records of the Holding Company and a subsidiary company, the reports of the other auditors in respect of entities audited by them and representation received from the management for entities un-audited (also refer paragraphs 8 and 9 above).

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Rajib Chatterjee

Partner

Place: Noida

Date: May 17, 2016

Membership Number: 057134

Annexure-A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Motherson Sumi Systems Limited on the consolidated financial statements for the year ended March 31, 2016

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Motherson Sumi Systems Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies

Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the

company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies

incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 2 jointly controlled companies, which are companies incorporated in India, is based on the corresponding reports of the auditors and in so far as it relates to the unaudited 2 subsidiaries and 1 associate company is based on representation received from the management (also refer paragraphs 8 and 9 of the Independent Auditors Report above). Our opinion is not qualified in respect of this matter.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Rajib Chatterjee

Place: Noida
 Date: May 17, 2016

Partner
 Membership Number: 057134

Consolidated Balance Sheet

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

	Note	As At March 31, 2016	As At March 31, 2015
Equity and Liabilities			
Shareholders' funds			
Share capital	3	1,323	882
Reserves and Surplus	4	41,133	32,356
		42,456	33,238
Minority Interest		14,411	10,142
Non Current Liabilities			
Long-term borrowings	5	50,023	40,859
Deferred tax liabilities (net)	6	1,926	1,457
Other long-term liabilities	7	1,828	3,091
Long-term provisions	8	2,424	2,180
		56,201	47,587
Current Liabilities			
Short-term borrowings	9	9,859	8,245
Trade payables	10		
Total outstanding dues of micro and small enterprises and		55	29
Total outstanding dues of creditors other than micro and small enterprises		55,619	48,612
Other current liabilities	11	25,553	22,287
Short-term provisions	12	3,077	5,568
		94,163	84,741
Total		207,231	175,708
Assets			
Non-Current Assets			
Fixed Assets			
Tangible assets	13	70,093	57,755
Intangible assets	13	3,496	3,534
Capital work in progress		13,740	9,554
Intangible assets under development		-	4
Non-current investments	14	1,009	649
Deferred tax assets (net)	15	3,649	1,909
Long-term loans and advances	16	2,337	5,692
Other non-current assets	17	5,185	2,425
		99,509	81,522
Current Assets			
Current investments*	18	0	0
Inventories	19	45,033	37,500
Trade receivables	20	34,656	30,144
Cash and bank balances	21	19,329	18,919
Short-term loans and advances	22	8,165	7,438
Other current assets	23	539	185
		107,722	94,186
Total		207,231	175,708
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

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

RAJIB CHATTERJEE

Partner
Membership No: 057134
Place: Noida
Date : May 17, 2016

The notes are an integral part of these consolidated financial statements

For and on behalf of the Board

V.C. SEHGAL

Chairman

PANKAJ MITAL

Whole-time Director/
Chief Operating Officer

NORIYO NAKAMURA

Director

G.N. GAUBA

Chief Financial Officer &
Company Secretary

Consolidated Statement of Profit and Loss

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

	Note	For the year ended March 31, 2016	For the year ended March 31, 2015
Revenue			
Revenue from operations (gross)		391,102	352,665
Less: Excise duty		7,150	5,934
Revenue from operations (net)	24	383,952	346,731
Other Income	25	3,209	3,764
Total		387,161	350,495
Expenses			
Cost of materials consumed	26	230,837	221,855
Purchase of stock-in-trade		3,297	2,189
Changes in inventories of finished goods, work-in-progress and stock in trade	27	(2,462)	(7,729)
Employee benefit expenses	28	73,997	63,652
Other expenses	29	43,740	38,325
Total		349,409	318,292
Profit before finance cost, depreciation, exceptional items and tax		37,752	32,203
Finance costs	30	2,706	3,178
Profit before depreciation, exceptional items and tax		35,046	29,025
Depreciation and amortization expense	31	11,357	9,206
Exceptional items (income)/ expense	32	291	1,648
Profit Before Tax		23,398	18,171
Tax expenses			
-Current tax (Refer Note 47)		7,075	6,064
-Deferred tax expense/ (credit)		(1,288)	(846)
-Fringe benefit tax		49	38
Profit after tax before share of results of associates and minority interest		17,562	12,915
Less: Minority Interest Profit		4,823	4,294
Add: Share of net profit / (loss) of associates		(2)	4
Profit for the year		12,737	8,625
Earnings per share: (Refer Note 33)			
Nominal value per share: ₹ 1/- (Previous year : ₹ 1/-)			
Basic : ₹ Per share		9.63	6.52
Diluted : ₹ Per share		9.63	6.52
Summary of significant accounting policies	2		

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

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

RAJIB CHATTERJEE

Partner

Membership No: 057134

Place: Noida

Date : May 17, 2016

The notes are an integral part of these consolidated financial statements

For and on behalf of the Board

V.C. SEHGAL

Chairman

PANKAJ MITAL

Whole-time Director/
Chief Operating Officer

NORIYO NAKAMURA

Director

G.N. GAUBA

Chief Financial Officer &
Company Secretary

Consolidated Cash Flow Statement

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

		For the year ended March 31, 2016	For the year ended March 31, 2015
A.	Cash flow from operating activities:		
	Profit before taxation	23,396	18,175
	Adjustments for:		
	Share of (profit)/loss in associate	2	(4)
	Depreciation	11,061	8,894
	Amortisation	296	312
	Interest expenditure	2,706	3,169
	Interest income	(271)	(242)
	Dividend income	(6)	(5)
	Profit on sale of tangible assets (net)	(89)	(24)
	Profit on sale of Long Term Investments	(225)	-
	Change in carrying amount of current investment *	(0)	-
	Provision for Diminution in value of investments *	2	0
	Bad Debts / Advances written off	163	37
	Provision for Doubtful Debts / Advances	105	173
	Liability no longer required written back	(127)	(158)
	Provision for employee benefits	221	123
	Provision for warranty	346	13
	Mark to Market Loss/(Gain)	(5)	(52)
	Unrealised foreign currency loss/(gain)	2,198	(2,997)
	Operating profit before working capital changes	39,773	27,414
	Change in working Capital:		
	Increase/(Decrease) in trade and other payables	7,530	10,067
	(Increase)/Decrease in trade receivables	(7,621)	4,500
	(Increase)/Decrease in inventories	(7,533)	(1,699)
	(Increase)/Decrease in other receivables	(1,515)	(218)
	Cash generated from operations	30,634	40,064
	- Taxes (Paid) / Received (Net of TDS)	(7,525)	(6,167)
	Net cash generated from operating activities	23,109	33,897
B.	Cash flow from Investing activities:		
	Purchase of tangible / intangible assets	(22,452)	(19,443)
	Sale of tangible / intangible assets	2,216	1,053
	Sale / (purchase) of investments	(102)	4
	Purchase of minority interest in subsidiary	-	(3,328)
	Loan (to)/repaid by related parties (net)	(2)	80
	Interest received (revenue)	310	210
	Dividend received	6	5
	Consideration paid on acquisition of subsidiaries	-	(7,110)
	Net cash used in investing activities	(20,024)	(28,529)
C.	Cash flow from financing activities:		
	Proceeds from Minority Shareholders	102	-
	Dividend Paid	(5,927)	(2,203)
	Dividend Distribution Tax	(1,007)	(375)
	Dividend Paid to Minority Share holders	(458)	(961)
	Interest paid	(2,483)	(2,993)

Consolidated Cash Flow Statement

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

	For the year ended March 31, 2016	For the year ended March 31, 2015
Proceeds from Long Term borrowings	29,154	50,236
Proceeds from Short Term borrowings	337	22,058
Repayment of Long Term borrowings	(22,320)	(24,934)
Repayment of Short Term borrowings	(246)	(35,980)
Proceeds from Government subsidy	19	97
Net cash used in financing activities	(2,829)	4,945
Net Increase/(Decrease) in Cash & Cash Equivalents	256	10,313
Net Cash and Cash equivalents at the beginning of the year	18,698	8,305
Cash and cash equivalents acquired consequent to acquisition of Wiring Harness Division of Stoneridge and Scherer & Trier.	-	85
Cash and cash equivalents as at current year closing	18,954	18,703
Cash and cash equivalents comprise		
Cash on hand	29	21
Cheques / drafts on hand	47	7
Balance with Banks	18,914	18,670
Cash and cash equivalents as per Balance Sheet (restated)	18,990	18,698
Effect of exchange differences on balance with banks in foreign currency	(36)	5
Total	18,954	18,703

* 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 Rules, 2006).
- Figures in brackets indicate cash outgo.

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

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

RAJIB CHATTERJEE

Partner

Membership No: 057134

Place: Noida

Date : May 17, 2016

The notes are an integral part of these financial statements.

For and on behalf of the Board

V.C. SEHGAL

Chairman

PANKAJ MITAL

Whole-time Director/
Chief Operating Officer

NORIYO NAKAMURA

Director

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') was incorporated in India on 19th December 1986 and is engaged primarily in the manufacture and sale of components to automotive original equipment manufacturers. The Company is a public limited company and is listed in the Bombay Stock Exchange and National 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 95 subsidiaries (including stepdown subsidiaries), 8 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 and South Africa.

2. Summary of significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain tangible assets which are being carried at revalued amounts. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the 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] of the Companies Act, 1956 and the other relevant provisions of the Companies Act, 2013.

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 III to the Companies Act, 2013.

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 Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in India requires the management to make estimates and assumptions that affect the reported amount of asset and liabilities as at Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statement are based upon management's evaluation of relevant facts and circumstances as at the date of the financial statements. Actual results could differ from estimates.

2.3 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 eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses.

Notes to the Consolidated financial statements

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

- (iv) The excess of the cost of acquisition over the Company's portion of equity and reserves of the subsidiary company at each time an investment is made in a subsidiary is recognised in the financial statements as goodwill. Further, any excess of equity and reserves over cost of acquisition is accounted for 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 Ventures". The group combines its share of the joint ventures individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the group's financial statements.
- c) Investment in Associates (entity over which the group exercises significant influence, which is neither a subsidiary nor a joint venture) are accounted for using the equity method in accordance with Accounting Standard 23 "Accounting for Investments in Associates in Consolidated Financial Statements", whereby the investment is initially recorded at cost, identifying any goodwill/capital reserve arising at the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the investor's share of net assets of the investee.
- d) The Consolidated Financial Statements have been prepared using financial statements drawn up to same reporting dates to the extent practicable and where financial statements used are drawn up to different reporting dates adjustments are made for any significant transactions for events occurring between those dates and the date of this financial statement.
- e) All subsidiaries, joint ventures and associates have been considered in preparation of Consolidated Balance sheet, Consolidated Statement of Profit & Loss and Consolidated Cash flow statement.
- f) 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 First-In-First-Out (FIFO) cost basis as against the group policy of valuing inventories on weighted average cost basis (Refer Note 19) since it is not considered practical to do so by the management. The total value of inventories valued on FIFO basis amount to ₹ 1,924 million (Previous Year ₹ 2,303 million) as at March 31, 2016. Such inventories are 4.27% (Previous Year 6.14%) of the group's total inventories.
- g) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the exchange reserve on consolidation.
- h) The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the consolidated profit and loss statement being the profit or loss on disposal of investment in subsidiary.

Notes to the Consolidated financial statements

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

2.4 Tangible Assets

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any, except tangible assets of the Component Division of erstwhile Motherson Auto Components Engineering Limited (MACE) and erstwhile India Nails Manufacturing Limited (formerly India Nails Manufacturing Private Limited, subsidiary which has been merged with the Company w.e.f April 1, 2011) which have been revalued on December 31, 1998 and on March 31, 2005 respectively and except assets costing upto ₹ 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:

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

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 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 as other current assets. 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 in order to reflect the actual usage of the assets.

	Indian Entities	Overseas Entities
	Useful life	Useful life
Leasehold Land	Over the period of lease	
Freehold Land	Nil	
Leasehold improvements	Over the period of lease	
Buildings	30 years	5 to 61 years
Plant & Machinery:		
Plant & Machinery	7.5 years *	3 to 15 years
Die & Moulds	6.17 years*	3 to 15 years
Electric Installation	10 years	3 to 15 years
Furniture & fixtures	6 years*	3 to 15 years
Office equipments	5 years	3 to 10 years
Computers:		
Server & Networks	3 years*	3 to 15 years
End user devices, such as desktops, laptops, etc.	3 years	3 to 15 years
Vehicles	4 years*	3 to 12 years

*Useful life of these assets are lower than the life prescribed under schedule II to the Companies Act, 2013.

Notes to the Consolidated financial statements

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

2.5 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 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 useful life of the intangible asset is as below:

Asset	Useful lives (years)
Technical Knowhow fees*	3 to 13 years
Business & Commercial rights*	3 to 11 years
Intellectual property rights	1 to 3 years
Software	2 to 5 years

*The useful life of technical knowhow, business and commercial rights is the result of the analyses and average useful right of the contracts.

Goodwill generated on consolidation in respect of subsidiaries is being carried at cost less impairment (if any). Further, Goodwill arising on amalgamation will be amortized over period of 5 years. Also, Goodwill generated on acquisition of assets will be tested for impairment.

2.6 Borrowing Costs

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are

added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in Statement of Profit and Loss in the period in which they are incurred.

2.7 Impairment of Assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. 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. For the purpose of assessing impairment, the recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. 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 (CGU). An asset or CGU whose carrying value exceeds its recoverable amount is considered impaired and is written down to its recoverable amount. 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. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

2.8 Investments

Investments 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,

Notes to the Consolidated financial statements

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

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 substantially for use by, or in the operations of the Company, have been classified as investment property. Investment properties are carried at cost less accumulated depreciation. Refer note 2.4 for depreciation rates used for buildings.

2.9 Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable 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.

2.10 Foreign Currency Translation 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 profit or loss 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 Instruments

The Company has 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) [Companies (Accounting Standards) Rules, 2006, as amended] 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. For derivative contracts

Notes to the Consolidated financial statements

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

designated in a hedging relationship, the Company records the gain or loss on effective hedges, if any, in a hedge reserve, until the transaction is complete. On completion, the gain or loss is transferred to the Statement of Profit and Loss of that period. Changes in fair value relating to the ineffective portion of the hedges and derivatives not qualifying or not designated as hedges are recognized in the statement of profit and loss in the accounting period in which they arise.

The Company has early adopted the Guidance Note on "Accounting for derivative contracts" issued by the Institute of Chartered Accountants of India on June 01, 2015 in respect of one of its subsidiaries. Based on the same, gain / loss arising on effective cash flow hedges have been directly recognized in reserve and surplus whereas ineffective hedges have been recognized in statement of profit and loss.

However, principally there is no difference in the accounting treatment followed for derivative contracts as per Accounting Standard - 30 "Financial Instruments: Recognition and Measurement" and Guidance Note on "Accounting for derivative contracts".

2.11 Revenue Recognition

Sale of goods

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

Sale of Services

In contracts involving the rendering of services, revenue is recognised as per terms of contracts and are recognised net of service tax.

2.12 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.

2.13 Employee Benefits

a) In respect of the companies incorporated in India

Provident Fund & Employee State Insurance

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

Gratuity

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

Notes to the Consolidated financial statements

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

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 recognized in the Statement of Profit and Loss in the year in which they arise.

b) In respect of the companies incorporated outside India

Pension provisions

Companies within the Group operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by annual actuarial calculations. The Group has both defined benefit and defined contribution plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

SMRPBV group mainly operated a defined benefit pension plan in Germany based on Employee pensionable remuneration and length of services. The plan is unfunded. Further, SMR group has various defined benefit plans, which consider final salary as well as average salary components in order to define the benefits for the pensioners. Different pension plans are operated by the group in the UK, Germany, Mexico and South Korea. The schemes, in the UK and South Korea are administered by separate trust funds.

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.

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

Notes to the Consolidated financial statements

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

the entity to reduce future contributions and considered respectively in determining the economic benefit from the plan.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due.

Other Long term benefits

Jubilee Bonus: In certain group entities, the employees are entitled to bonus after completion of certain year of services which are based on the wage agreement or otherwise as per terms of employment. The Group recognizes as an expenditure the present value of such long term jubilee bonuses, where applicable based on the expected amounts to pay by considering expectancies of employee turnover and expected future salary increase.

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.

Termination Benefits

Termination benefits in the nature of voluntary retirement benefits are recognised in the Statement of Profit and Loss as and when incurred.

2.14 Government Grants

Government grants are recognized when it is reasonable to expect that the grants will be received and that all related conditions will be met. Government grants in respect of capital expenditure are credited to the acquisition costs of the respective fixed asset and thus are released as income over the expected useful lives of the relevant assets. Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate. Government grants that are given with reference to total capital outlay are credited to capital reserve and treated as a part of shareholders' funds.

2.15 Current and Deferred Tax

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

Current tax is determined based on respective taxable income and tax rules of each taxable entity. It is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognized for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty, wherein virtual certainty with convincing evidence is required in case of unabsorbed depreciation and carry forward of tax losses, 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 applicable to respective jurisdictions 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

Notes to the Consolidated financial statements

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

the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

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

Fringe Benefit Tax

Fringe benefit tax is determined based on the liability computed in accordance with relevant tax rates and tax laws of the jurisdiction in which it is applicable.

2.16 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.

2.17 Leases

As a lessee:

(a) Operating Leases

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.

(b) Finance Leases

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

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

As a lessor:

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

2.18 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 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

Notes to the Consolidated financial statements

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

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/income”.

2.19 Cash and Cash Equivalents

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

2.20 Earnings per Share (EPS)

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during

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

Notes to the Consolidated financial statements

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

3. Share Capital

	As At March 31, 2016	As At March 31, 2015
Authorised:		
2,873,000,000 (March 31, 2015 : 2,873,000,000) Equity shares of ₹ 1/- each	2,873	2,873
25,000,000 (March 31, 2015 : 25,000,000) 8% Convertible Cumulative Preference Shares of ₹ 10/- each	250	250
Issued:		
1,322,879,040 ¹ (March 31, 2015 : 881,919,360) Equity Shares of ₹ 1/- each	1,323	882
Subscribed and Paid up:		
1,322,879,040 ¹ (March 31, 2015 : 881,919,360) Equity Shares of ₹ 1/- each	1,323	882
Total	1,323	882

¹ During the year, the Company had allotted 440,959,680 equity shares of ₹ 1/- each as bonus shares in proportion of one equity share for every two equity shares held.

a. Reconciliation of number of shares

Equity Shares:	As at March 31, 2016		As at March 31, 2015	
	Numbers	Amount	Numbers	Amount
Balance as at the beginning of the year	881,919,360	882	881,919,360	882
Add: Bonus shares issued by capitalisation of securities premium account	440,959,680	441	-	-
Balance as at the end of the year	1,322,879,040	1,323	881,919,360	882

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 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, in proportion to their share holding.

c. Aggregate number of Shares allotted as fully paid up by way of bonus shares during 5 years immediately preceeding March 31, 2016

	Aggregate No of Shares issued in last five years	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Equity shares allotted as fully paid bonus shares by capitalisation of Securities Premium Account and Capital Redemption Reserve	930,914,880	440,959,680	-	293,973,120	195,982,080	-

Notes to the Consolidated financial statements

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

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

	As at March 31, 2016		As at March 31, 2015	
	Nos.	%	Nos.	%
Equity shares:				
Samvardhana Motherson International Limited	488,549,846	36.93%	325,566,564	36.92%
Sumitomo Wiring Systems Limited	334,520,781	25.29%	223,013,854	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, 2016		As at March 31, 2015	
Capital Reserve				
Balance as at the beginning of the year	207		125	
Additions during the year ¹	-		82	
Deductions during the year*	(0)		-	
Balance as at the end of the year		207		207
Capital Reserve on Consolidation				
Balance as at the beginning of the year	1,389		1,315	
Additions during the year	-		293	
Deductions during the year ²	(12)		(219)	
Balance as at the end of the year		1,377		1,389
Securities Premium Account				
Balance as at the beginning of the year	3,313		3,313	
Deductions during the year ³	(441)		-	
Balance as at the end of the year		2,872		3,313
Revaluation Reserve				
Balance as at the beginning of the year	96		96	
Additions during the year	-		-	
Balance as at the end of the year		96		96
Reserve on Amalgamation				
Balance as at the beginning of the year	1,663		1,663	
Additions during the year	-		-	
Balance as at the end of the year		1,663		1,663
Exchange Reserve on Consolidation				
Balance as at the beginning of the year	1,827		3,681	
Addition / (deletion) during the year	430		(1,854)	
Balance as at the end of the year		2,257		1,827
Hedge Reserve				
Balance as at the beginning of the year	-		-	
Addition during the year ⁴	(9)		-	
Balance as at the end of the year		(9)		-

Notes to the Consolidated financial statements

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

	As at March 31, 2016		As at March 31, 2015	
General Reserve				
Balance as at the beginning of the year	3,630		3,515	
Transfer from Surplus in Statement of Profit and Loss during the year ⁵	120		115	
Deductions during the year ²	(22)		-	
Balance as at the end of the year		3,728		3,630
Surplus in Statement of Profit and Loss				
Balance as at the beginning of the year	20,231		15,003	
Additions during the year	12,737		8,625	
Transfer to General Reserve ⁵	(120)		(115)	
Additions on Amalgamation*	-		0	
Other addition during the year ²	34		-	
Proposed dividend	-		(2,646)	
Interim dividend	(3,307)		-	
Tax on dividend	(599)		(576)	
Transfer to employee fund ⁶	(34)		-	
Retained Earning - other addition / (deletion)	-		(60)	
Balance as at the end of the year		28,942		20,231
Total		41,133		32,356

¹Being subsidy of ₹ Nil (March 31, 2015: ₹ 53 million) under Rajasthan Promotion Scheme 2010 w.r.t. units of the Company at Rajasthan and ₹ Nil (Previous year : ₹ 29 million), being company's share, under industrial promotion subsidy package scheme of incentives 2007 in respect of SMR Automotive Systems India Limited plant at Pune, India;

²On account of discontinuation of joint venture with Woco Franz Josef Wolf Holding GmbH, Germany. (Refer Note 48)

³During the year, the Company allotted 440,959,680 equity shares of ₹ 1/- each as bonus shares by capitalisation of Securities Premium Account.

⁴Mark to market loss accounted under hedging reserve with respect to cashflow hedge in respect of derivative contracts entered into by one of the overseas subsidiary.

⁵Includes ₹ 65 million (March 31, 2015: ₹ Nil) in respect of overseas subsidiaries of the Company in order to comply with the local statute.

⁶Transfer to employee fund in pursuant to distribution of dividend by Changchun Peguform Automotive Plastics Technology Co. Ltd, one of the step down subsidiary of the Company in China.

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

Bracket denotes appropriations / deductions.

Notes to the Consolidated financial statements

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

5. Long Term Borrowings

	Non Current Portion		Current Maturities	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Secured:				
i) 4 $\frac{1}{8}$ % Senior Secured Notes Due 2021 (EUR 500 million (March 31, 2015 : EUR 500 million))	37,690	33,529	-	-
ii) 3.7% Senior Secured Notes Due 2025 (Refer Note 50) (EUR 100 million (March 31, 2015 : EUR Nil))	7,538	-	-	-
iii) Term loans:				
From Banks:				
- Rupee Loan	66	135	37	38
- Foreign currency loan	2,642	4,345	2,101	1,122
From others				
- Indian rupee loan	84	41	17	4
- Foreign Currency Loan	-	23	-	3
iv) Finance lease liabilities (Refer note 40)	553	765	551	534
	48,573	38,838	2,706	1,701
Unsecured:				
i) Term loan:				
From Banks:				
- Indian rupee loan	6	7	1	-
- foreign currency loan	702	1,193	591	486
From others				
- Indian rupee loan	54	27	-	-
- Foreign currency loan	688	669	49	15
ii) Deposits from related parties				
- Foreign currency loan - from related party (Refer note 39)	-	22	-	-
- Indian rupee loan - from related party (Refer note 39)	-	103	118	-
	1,450	2,021	759	501
Amounts disclosed under the head "other current liabilities" (Refer Note 11)			(3,465)	(2,202)
Total	50,023	40,859	-	-

Notes to the Consolidated financial statements

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

(a) Nature of Security and terms of repayment for secured borrowings:

	Nature of Security	Terms of Repayment
i	4¹/₈% Senior Secured Notes Due 2021 Loan amounting to ₹ 37,690 million (March 31, 2015: ₹ 33,529 million) secured by: <ol style="list-style-type: none"> Guarantee given by some of the material subsidiaries of Samvardhana Motherson Automotive Systems Group B.V. 100% share pledge of material subsidiaries of Samvardhana Motherson Automotive Systems Group B.V. Assets security given by some subsidiaries of Samvardhana Motherson Automotive Systems Group B.V. 	The Notes bear interest at a rate of 4.125% payable semi-annually on 15th January and 15th July of each year and will mature on 15th July, 2021. The Notes carry a prepayment option and as per the terms of the indenture, the company may at any time on or after 15th July, 2017, redeem all or part of the Notes by paying the redemption prices set forth in the indenture. Prior to 15th July, 2017, the Subsidiary is entitled at its option, to redeem all or a portion of the Notes by paying 100% of the principal amount of such Notes, plus accrued and unpaid interest, if any, plus a "make-whole" premium. In addition, prior to July 15, 2017, the Subsidiary may redeem, at its option, upto 35% of the Notes with the net proceeds from certain equity offerings.
ii	3.7% Senior Secured Notes Due 2025 Loan amounting to ₹ 7,538 million (March 31, 2015: ₹ Nil) secured by: <ol style="list-style-type: none"> Guarantee given by some of the material subsidiaries of Samvardhana Motherson Automotive Systems Group B.V. 100% share pledge of material subsidiaries of Samvardhana Motherson Automotive Systems Group B.V. Assets security given by some subsidiaries of Samvardhana Motherson Automotive Systems Group B.V. 	The Notes bear interest at a rate of 3.70% payable annually on 18th June each year and will mature on 18th July, 2025. The Notes carry a prepayment option and as per the terms of the indenture the Subsidiary may at any time prior to June 18, 2025, redeem all or a portion of the Notes by paying 100% of the principal amount of such Notes, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption, plus a "make-whole" premium. In addition, prior to June 18, 2025, the subsidiary may redeem, at its option, up to 35% of the Notes with the net proceeds from certain equity offerings.
i	Long term Indian Rupee loans from Bank include: Loan amounting to ₹ 103 million (March 31, 2015: ₹ 141 million) Secured by first and exclusive charge on entire movable and immovable fixed assets of SMR Automotive Systems India Limited, Chennai Plant 1, 4/113 Varadharajapuram, Chennai - Bangalore Highway, Poonamallee, Chennai.	Repayable in 16 Quarterly Installments, commencing from January, 2015. The applicable interest rate is 10.5%
ii	Loan amounting to ₹ Nil (March 31, 2015: ₹ 32 million) Secured by exclusive charge on entire movable fixed assets and current assets of Samvardhana Motherson Nippisun Technology Ltd. Comfort letter have also been issued by the Company, Toyota Thusho corporation, Toyoto Thusho India Pvt Ltd and Nippon pigment (s) pte Ltd for the said loan.	

Notes to the Consolidated financial statements

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

	Nature of Security	Terms of Repayment
	Long term foreign currency loans from Bank include:	
i.	Loan amounting to ₹ 2,932 million (March 31, 2015: ₹ 3,555 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"> 1) ₹ Nil (March 31, 2015 : ₹ 125 million) is fully repaid during the current year as per repayment schedule, carrying interest rate of 3 month US \$ Libor + 37.5bps 2) ₹ Nil (March 31, 2015 : ₹ 78 million) is fully repaid during the current year as per repayment schedule, carrying interest rate of 3 month US \$ Libor + 200bps 3) ₹ Nil (March 31, 2015 : ₹ 117 million) is fully repaid during the current year as per repayment schedule, carrying interest rate of 3 month US \$ Libor + 200bps 4) ₹ 994 million (March 31, 2015 : ₹ 1,188 million) is repayable in remaining 5 half yearly instalments till August 2018. carrying Interest rate of 6 month US \$ Libor + 205bps and from February 29, 2016 interest rate is 6 month US \$ Libor + 160 bps 5) ₹ 596 million (March 31, 2015 : ₹ 688 million) is repayable in remaining 4 half yearly instalments till February 2018, carrying Interest rate of 6 month US \$ Libor + 160bps 6) ₹ 149 million (March 31, 2015 : ₹ 234 million) is repayable in remaining 3 half yearly instalments till August 2017, carrying Interest rate of 6 month US \$ Libor + 175bps 7) ₹ 1,193 million (March 31, 2015 : ₹ 1,125 million) is repayable in remaining 4 half yearly instalments starting from March 2017 till September 2018, carrying Interest rate of 6 month US \$ Libor + 71.25bps <p>The applicable rate of interest in respect of these loans is within a range of 0.4% to 2% (March 31, 2015: 0.4% to 2.5%) over 3 to 6 months US\$ Libor and 7.5% to 9.3% (March 31, 2015: 7.3% to 9.3%) in respect of loans hedged for swap contracts.</p>
ii	<p>Loan amounting to ₹ 591 million (March 31, 2015: ₹ 934 million) Secured against:</p> <ol style="list-style-type: none"> 1) General notarial bond to the value of ZAR 181 million plus additional costs over the movable assets of one of MSSL Global RSA Module Engineering Limited including its Durban plant, in favour of the Lender. 2) The special notarial bond to the value of ZAR 95 million plus additional costs over the plant and equipment assets of MSSL Global RSA Module Engineering Limited funded using the Plant and Equipment Loan in favour of the Lender. 3) A first covering mortgage bond over the property to the value of ZAR 80 million plus additional costs, in favour of the Lender. 	<p>Repayable in monthly installments commencing from October 2014 till June 2020.</p> <p>The applicable rate of interest is Prime Rate minus 3% as applicable in South Africa for first five years after which it will be adjusted to prime rate minus 0.1% thereafter.</p>

Notes to the Consolidated financial statements

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

	Nature of Security	Terms of Repayment
iii	Loan amounting to ₹ 76 million (March 31, 2015: ₹ 113 million) secured by General Notarial Bond on assets of Vacuform 2000 Pty Ltd.	1) ₹ 32 million (March 31, 2015 : ₹ 48 million) is repayable in 60 equal monthly installments commenced from 31 January 2015. 2) ₹ 44 million (March 31, 2015 : ₹ 65 million) is repayable 60 equal monthly installments commenced from 31 March 2014. The applicable rate of interest in respect of these loans is within a range of 7.5% to 12%
iv	Loan amounting to ₹ Nil (March 31, 2015: ₹ 520 million) secured by mortgage of land and plant and machinery of SMR Automotive Brasil Ltda.	The loan was fully repaid in December 2015. The applicable rate of interest is CDI (Inter Bank Deposit Certificate - Brazilian) + 4% spread per year.
v	Loan amounting to ₹ 39 million (March 31, 2015: ₹ 46 million). The loan is secured against mortgage of plant and machinery of SMP Deutschland GmbH.	Repayable in equal monthly installments commencing from November 2013. The applicable rate of interest is 5.92%
vi	Loan amounting to ₹ 14 million (March 31, 2015: ₹ 16 million) secured against mortgage of plant and machinery of SMP Deutschland GmbH.	Repayable in monthly instalments starting from May 2014, ending in March 2019 The applicable rate of interest is 5%
vii	Loan amounting to ₹ 300 million (March 31, 2015: ₹ 227 million) secured by specified assets located at Boetzingen plant of SMP Deutschland GmbH.	Repayable in monthly instalments starting from January 2016, ending in June 2020. The applicable rate of interest is 2.75%
viii	Loan amounting to ₹ 27 million (March 31, 2015: ₹ 26 million) secured against land and building of MSSL Japan.	Repayable in 57 quarterly installment starting from June 2015. The applicable rate of interest is Tibor + 0.95%
ix	Loan amounting to ₹ 26 million (March 31, 2015: ₹ 30 million) secured by pledge of the specific machinery by MSSL GMBH and future insurance receivables of debtors related to the same in favour of the Bank.	Repayable in monthly installments commencing from January 2014 until May 2019. The applicable rate of interest is 4.5%
x	Loan amounting to ₹ 42 million (March 31, 2015 : ₹ Nil) secured by first mortgage on plant & machinery of Samvardhana Motherson Invest Deutschland GmbH.	Repayable in one bullet payment on 30th September 2025. The applicable rate of interest in respect of this loans is 2.2%
xi	Loan amounting to ₹ 693 million (March 31, 2015: ₹ Nil) secured by guarantee given by parent company Samvardhana Motherson Automotive Systems Group B.V.	Repayable Two half yearly installments of Euro 0.75 million from September 2016 to March 2020 and final repayment of Euro 3 million at June 2020 The applicable rate of interest in respect of this loans is Euribor + 1.55%
xii	Loan amounting to ₹ 3 million (March 31, 2015 : ₹ Nil) secured against vehicle of Vacuform 2000 (Proprietary) Limited.	₹ 3 million is repayable in 60 instalments beginning from 1st Novemebr 2015. The applicable rate of interest in respect of this loans is South Africa prime lending rate + 0.5%
Long term Indian Rupee Loans from Other than Banks include:		
i.	Loan amounting to ₹ 41 million (March 31, 2015: ₹ 45 million) secured against land acquired from NOIDA authority under installment plan by SMR Automotive Systems India Limited.	Repayable in 16 half yearly installments commencing from December 2014. The applicable rate of interest is 11%
ii.	Indian Rupee loan amounting to ₹ 60 million (March 31, 2015 : ₹ Nil) from other than banks for the purchase of Investment Property and is secured by that investment property of the Company.	Repayable remaining in 49 monthly instalments till March 2020 carrying Interest rate of 10.40%

Notes to the Consolidated financial statements

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

	Nature of Security	Terms of Repayment
Long term Foreign Currency Loans from Other than Banks include:		
i.	Loan amounting to ₹ Nil (March 31, 2015: ₹ 26 million) secured against Mortgage of the plant	Fully repaid during the financial year 2015-16. The applicable rate of interest is 5.1%
Foreign Currency Finance Lease Liabilities Other than Banks include:		
i.	Finance Leases amounting to ₹ 1,104 million (March 31, 2015 : ₹ 1,299 million) are secured by hypothecation of assets underlying the leases.	₹ 95 million (March 31, 2015 : ₹ 44 million) repayable in monthly installments. ₹ 638 million (March 31, 2015 : ₹ 975 million) repayable in quarterly installments. ₹ 371 million (March 31, 2015 : ₹ 280 million) repayable in monthly installments. The applicable rate of interest in respect of foreign currency finance lease liabilities other than banks is within a range of 2.95% to 10.0% (March 31, 2015 : 2.95% to 10.0%).

(b) Terms of repayment for unsecured borrowings:

	Particulars	Terms of Repayment
Unsecured Indian Rupee Loan from Banks-		
	Loan amounting to ₹ 7 million (March 31, 2015: ₹ 7 million) unsecured carrying interest rate of 9.75% to 10.00%.	Repayable in 10 equal half yearly installments commencing from April 2016.
Unsecured Foreign Currency Term Loans from Banks -		
i.	Loan amounting to ₹ 441 million (March 31, 2015: ₹ 833 million). The Company has given a negative lien on the assets purchased out of the said facility.	Repayable entirely in January 2017 carrying Interest rate of 6 month US \$ month Libor + 200bps
ii.	Loan amounting to ₹ 27 million (March 31, 2015: ₹ 26 million) against: 1) Negative lien on pledge of shares of operating subsidiaries of Samvardhana Motherson Reflectec Group Holdings Limited (SMR) 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. 3) Undertaking from the Company and Samvardhana Motherson International Limited that they would not reduce their shareholding in SMR below 75%.	Repayable in 16 quarterly installments commencing from January 2016 The applicable rate of interest is 1.5%
iii.	Loan amounting to ₹ 58 million (March 31, 2015: ₹ 82 million).	Loan amounting to ₹ 29 million (March 31, 2015: ₹ 34 million) carrying interest rate of 5.60%, repayable in monthly installments upto April, 2019. Loan amounting to ₹ Nil (March 31, 2015: ₹ 48 million) fully repaid in February 2016. Loan amounting to ₹ 29 million (March 31, 2015: ₹ Nil) Repayable in 55 equal monthly installments (after 5 months moratorium) until February 2021.
iv.	Loan amounting to ₹ 35 million (March 31, 2015: ₹ 42 million).	Repayable in equal monthly installments commencing from September 2014. The applicable rate of interest is 5.6%
v.	Loan amounting to ₹ 18 million (March 31, 2015: ₹ 22 million).	Repayable in equal monthly installments commencing from September 2014. The applicable rate of interest is 5.6%

Notes to the Consolidated financial statements

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

	Particulars	Terms of Repayment
vi.	Loan amounting to ₹ 714 million (March 31, 2015: ₹674 million)	Repayable in 9 equal half yearly instalment from 36 month from date of each drawdown. The applicable rate of interest is libor plus 1.20%.
	Unsecured Indian Rupee Loans from Other than Banks -	<p>Loan amounting to ₹ 2 million (March 31, 2015: ₹ 2 million) are 5.00% 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 ₹ Nil (March 31, 2015: ₹ 25 million)</p> <p>Interest free loan of ₹ 52 million (March 31, 2015: ₹ Nil) is repayable in November 2022 entirely in one instalment, against which a bank guarantee has been furnished by the company.</p>
	Unsecured Foreign Currency Loans from Other than Banks -	<p>Loan amounting to ₹ 1 million (March 31, 2015: ₹ 3 million) repayable in half yearly installments until June 2016 carrying interest rate of 2.32%</p> <p>Loan amounting to ₹ 37 million (March 31, 2015: ₹ 39 million) with no fixed repayments terms carrying interest rate of 8.5%</p> <p>Loan amounting to ₹ 6 million (March 31, 2015: ₹ 8 million) interest free with no fixed repayments terms.</p> <p>Loan amounting to ₹ 249 million (March 31, 2015: ₹ 265 million) repayable in quarterly installments until June 2025.</p> <p>Loan amounting to ₹ 44 million (March 31, 2015: ₹ 41 million) repayable in 10 yearly installments commencing from 2074.</p> <p>Loan amounting to ₹ 35 million (March 31, 2015: ₹ 30 million) repayable in various installments starting after 4 years to be repaid in 10 years with final maturity in 2026 carrying interest rate of 5%</p> <p>Loan amounting to ₹ 39 million (March 31, 2015 : ₹ 2 million) repayable in various installments starting after 1 years to be repaid in 12 years carrying interest rate of 5%</p> <p>Loan amounting to ₹ 29 million (March 31, 2015: ₹ 25 million) repayable in half yearly installments upto March 2024.</p> <p>Loan amounting to ₹ 297 million (March 31, 2015: ₹ 271 million) repayable in yearly installments upto May, 2024.</p>
	Unsecured Foreign Currency Loans from Related Party -	Loan amounting to ₹ Nil (March 31, 2015: ₹ 22 million) fully converted into share capital in March 2016.
	Unsecured Indian Rupee Loans from Related Party-	<p>Loan amounting to ₹ 98 million (March 31, 2015: ₹ 83 million) repayable upto March 2017</p> <p>Loan amounting to ₹ 20 million (March 31, 2015: ₹ 20 million) repayable upto June 2016 carrying interest rate of LIBOR (Japanese Yen) - 6 months plus 0.15%</p>

Notes to the Consolidated financial statements

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

6. Deferred tax liabilities (Net)

	As At March 31, 2016	As At March 31, 2015
Deferred tax liabilities		
Depreciation	1,756	1,446
Others	173	93
Deferred tax assets		
Provision for Employee benefits	3	-
Others	-	82
Total	1,926	1,457

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, 2016	As At March 31, 2015
Trade payables*	0	2
Other Payables:		
Advance from customers	88	1,126
Unearned revenue	1,468	1,772
Retention money	35	10
Security deposit received	68	73
Advance recovery from employees	103	61
Others	66	47
Total	1,828	3,091

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

8. Long term provisions

	As At March 31, 2016	As At March 31, 2015
i) Provision for employee benefits:		
- Gratuity and pensions (Refer note 37)	1,141	1,046
- Compensated absences (Refer note 37)	317	260
- Longevity / Jubilee bonus	173	133
- Others	637	550
ii) Other Provisions (Refer note 44)		
- for warranties	100	94
- for litigations / disputes	56	97
Total	2,424	2,180

Notes to the Consolidated financial statements

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

9. Short Term Borrowings

		As At March 31, 2016	As At March 31, 2015
Secured:			
i)	Loans repayable on demand from banks		
	- Rupee Loan ¹	359	266
	- Foreign Currency Loan ²	6,940	5,606
ii)	Other short term loans from banks		
	- Rupee Loan ³	600	-
	- Foreign Currency Loan ⁴	736	1,458
		8,635	7,330
Unsecured:			
i)	Loans repayable on demand from banks		
	- Rupee Loan	902	403
	- Foreign Currency Loan	322	512
		1,224	915
	Total	9,859	8,245

Nature of Security for secured borrowings:

- 1 ₹ 210 million (March 31,2015: ₹ 201 million) repayable on demand, 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 31,2015: ₹ 27 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, a joint venture company.

₹ 64 million (March 31,2015: ₹ 38 million) secured by first pari-passu charge both present and future on all current assets of SMR Automotive Systems India Limited

₹ 85 million (March 31,2015: ₹ Nil) secured by first pari-passu charge both present and future on all current assets of SMR Automotive Systems India Limited

- 2 ₹ 1,954 million (March 31,2015: ₹ 2,062 million) secured by charge on the inventory and receivables of MSSL Wiring System Inc.

₹ 199 million (March 31,2015: ₹ 172 million) secured by first pari passu charge on entire current assets of MSSL Mexico S.A. De C.V. including receivables, both present and future and second pari passu charge over the fixed assets of MSSL Mexico S.A. De C.V. including equitable mortgage of specified properties.

₹ Nil (March 31,2015: ₹ 2,280 million) secured by first pari passu charge on entire current assets including receivables, both present and future and second pari passu charge over the fixed assets including equitable mortgage of specified properties.

₹ 1,014 million (March 31,2015: ₹ 803 million) secured by first pari passu charge on entire current assets SMP Automotive Systems Mexico S.A. de C.V. including receivables, both present and future and second pari passu charge over the fixed assets of SMP Automotive Systems Mexico S.A. de C.V. including equitable mortgage of specified properties.

₹ 139 million (March 31,2015: ₹ 147 million) represents carved out ancillary limit as per the Revolving Facility Agreement and is secured by same collateral that secure the 4'/8% Senior Secured Note 2021.

₹ 3,511 million (March 31,2015: ₹ Nil) secured over the inventory and receivables of SMP Automotive Systems Mexico S.A. de C.V.

Notes to the Consolidated financial statements

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

₹ 123 million (March 31,2015: ₹ Nil) secured over the inventory and receivables of SMP Automotive Interiors (Beijing) Co. Ltd.

₹ Nil (March 31,2015: ₹ 142 million) represents carved out ancillary limit as per the Revolving Facility Agreement and is secured by same collateral that secure the 4¹/8% senior secured note.

3 ₹ 600 million (March 31,2015: ₹ 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 31,2015: ₹ 746 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.

₹ 730 million (March 31,2015: ₹ 712 million) secured by Corporate Guarantee of SMR Poong Jeong Automotive Mirrors Korea Ltd.

₹ 1 million (March 31,2015: ₹ Nil) secured over the inventory and receivables of Motherson Electrical Wires Lanka Private Limited

₹ 5 million (March 31,2015: ₹ Nil) secured over the inventory and receivables of Motherson Elastomers Pty. Ltd.

The rate of interest in respect of short term borrowings is applicable inter bank lending rate for loan currency/ applicable base rate of commercial banks of the country of borrower plus spread of 0.0% to 4.0%.

10. Trade Payables

	As At March 31, 2016	As At March 31, 2015
Total outstanding dues of micro and small enterprises and	55	29
Total outstanding dues of creditors other than micro and small enterprises		
- Acceptances	-	-
- Others	55,619	48,612
Total	55,674	48,641

11. Other Current Liabilities

	As At March 31, 2016	As At March 31, 2015
Current maturities of long term debt (Refer Note 5)	2,914	1,668
Current maturities of finance lease obligations (Refer Note 5)	551	534
Interest accrued but not due on borrowings	609	386
Unpaid dividends ¹	41	15
Employee benefits payable	6,111	4,741
Statutory dues payable	4,418	3,727
Advances received from customers	6,269	6,390
Unearned revenue	2,176	2,001
Security deposit received	4	11
Advance recovery from employee	27	46
Deferred Income related to future extra cost	-	613
Others	2,433	2,155
Total	25,553	22,287

¹ 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. Section 125 of Companies Act, 2013 which corresponds to Section 205C of Companies Act, 1956 has not yet been enforced.

Notes to the Consolidated financial statements

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

12. Short Term Provisions

		As At March 31, 2016	As At March 31, 2015
i) Provision for employee benefits:			
- Gratuity and pensions (Refer note 37)		149	129
- Compensated absences ¹		143	94
- Restructuring/ Severance costs		178	-
- Others		147	77
ii) Other Provisions:			
- for warranties (Refer note 44)		1,164	824
- for litigation / disputes (Refer note 44)		160	120
- for onerous contracts (Refer note 44)		10	9
- for proposed dividend on equity shares		-	2,646
- for dividend distribution tax on proposed dividend on equity shares		-	539
- for income tax (Net of advance income tax) ²		1,050	1,020
- for wealth tax		-	2
- for others		76	108
Total		3,077	5,568

¹ ₹ 120 million (March 31, 2015: ₹ 78 million) include provision for unused entitlement of compensated absences in the nature of short term employee benefits.

² Advance income tax and provision for tax have been offset to the extent they relate to the same governing taxation laws.

Notes to the Consolidated financial statements

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

13. Fixed Assets

Particulars		GROSS BLOCK					ACCUMULATED DEPRECIATION / AMORTIZATION / IMPAIRMENT					NET BLOCK			
		As at April 1, 2015	Additions on account of acquisition	Disposals	Other Adjustments	Exchange Translation Adjustment	As at March 31, 2016	Upto April 1, 2015	Additions on account of acquisition	Depreciation/ Amortization / Impairment for the year 2015-16	Depreciation/ Amortization on Deletions / Sale/ Adjustments	Other Adjustments	Exchange Translation Adjustment	Upto March 31, 2016	As at March 31, 2016
TANGIBLE ASSETS															
Own Assets:															
Leasehold Land	2,013	-	260	37	-	394	2,630	218	-	50	1	-	35	302	2,328
Freehold Land	3,953	-	425	-	-	63	4,441	-	-	-	-	-	-	-	4,441
Leasehold Improvements	330	-	12	18	-	9	333	196	-	46	2	-	13	253	80
Buildings	23,778	-	5,164	74	-	712	29,580	6,497	-	1,077	43	-	(126)	7,405	22,175
Plant & Machinery	78,789	-	14,233	2,111	-	5,576	96,487	48,687	-	8,514	934	-	3,811	60,078	36,409
Furniture & fixtures	4,054	-	843	37	-	357	5,217	2,673	-	782	37	61	154	3,511	1,706
Office equipments	1,126	-	186	38	-	82	1,356	836	-	103	37	(61)	91	1,054	302
Computers	2,200	-	274	154	-	171	2,491	1,766	-	203	109	-	192	2,052	439
Vehicles	598	-	71	150	-	22	541	438	-	67	128	-	14	391	150
Total (A)	116,841	-	21,468	2,619	-	7,386	143,076	61,311	-	10,842	1,291	-	4,184	75,046	68,030
Assets Taken on Finance Lease:															
Buildings	1,389	-	-	-	-	159	1,548	359	-	32	-	-	42	433	1,115
Plant & Machinery	2,676	-	290	794	-	208	2,380	1,489	-	173	374	-	151	1,439	941
Furniture & fixtures	15	-	4	-	(1)	(1)	19	9	-	2	-	(1)	-	12	7
Office equipments	1	-	-	-	1	-	0	1	-	-	-	1	-	(0)	0
Computers	6	-	-	-	-	1	7	4	-	2	-	-	1	7	-
Total (B)	4,087	-	294	794	-	367	3,954	1,862	-	209	374	0	194	1,891	2,063
Total Tangible Assets (A+B)	120,928	-	21,762	3,413	-	7,753	147,030	63,173	-	11,051	1,665	0	4,378	76,937	70,093
INTANGIBLE ASSETS															
Goodwill on Acquisition & Consolidation	3,025	-	-	374	-	328	2,979	48	-	3	-	-	-	51	2,928
Technical knowhow fees	215	-	-	-	-	12	227	172	-	17	2	-	10	197	30
Business & Commercial Rights	60	-	24	10	-	7	81	40	-	16	10	-	3	49	32
Intellectual Property Rights	449	-	-	3	-	55	501	345	-	30	3	-	45	417	84
Software	1,763	-	238	7	-	179	2,173	1,373	-	230	-	-	148	1,751	422
Total Intangible Assets	5,512	-	262	394	-	581	5,961	1,978	-	296	15	-	206	2,465	3,496
Grand Total	126,440	-	22,024	3,807	-	8,334	152,991	65,151	-	11,347	1,680	0	4,584	79,402	73,589

Notes to the Consolidated financial statements

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

Particulars	GROSS BLOCK					ACCUMULATED DEPRECIATION / AMORTIZATION / IMPAIRMENT					NET BLOCK			
	As at April 1, 2014	Additions on account of acquisition	Disposals	Other Adjustments ¹	Exchange Translation Adjustment	As at March 31, 2015	As at April 1, 2014	Additions on account of acquisition	Depreciation/Amortization / Impairment for the year 2015	Depreciation/Amortization on Deletions / Sale/ Adjustments	Other Adjustments ¹	Exchange Translation Adjustment	As at March 31, 2015	As at March 31, 2015
TANGIBLE ASSETS														
Own Assets:														
Leasehold Land	1,739	32	395	44	-	(109)	2,013	236	19	7	-	(30)	218	1,795
Freehold Land	3,542	185	177	-	-	49	3,953	-	-	-	-	-	-	3,953
Leasehold Improvements	231	37	89	-	-	(27)	330	165	46	-	-	(29)	196	134
Buildings	22,829	959	3,066	2	-	(3,074)	23,778	6,299	877	(2)	-	(933)	6,497	17,281
Plant & Machinery	79,850	2,309	9,050	1,628	(8)	(10,800)	78,789	50,086	614	6,747	1,266	(97)	48,687	30,102
Furniture & fixtures	3,205	256	639	255	(0)	209	4,054	2,111	28	525	261	(10)	2,673	1,381
Office equipments	1,689	4	79	23	0	(623)	1,126	1,326	4	109	11	7	(585)	836
Computers	2,835	219	153	241	-	(766)	2,200	2,549	24	201	236	0	(772)	1,766
Vehicles	684	10	59	113	-	(42)	598	469	10	92	103	0	(30)	438
Total (A)	116,604	4,011	13,707	2,306	(8)	(15,183)	116,841	63,241	946	8,616	1,882	(100)	61,311	55,530
Assets Taken on Finance Lease:														
Buildings	1,643	-	-	-	-	(254)	1,389	377	-	38	-	(56)	359	610
Plant & Machinery	3,635	-	107	518	-	(548)	2,676	1,781	-	231	165	(358)	1,489	1,607
Furniture & fixtures	9	-	5	8	-	9	15	9	-	1	8	-	7	6
Office equipments	3	-	-	-	-	(2)	1	3	-	-	-	(2)	1	(0)
Computers	6	-	-	-	-	(0)	6	4	-	-	-	(0)	4	2
Total (B)	5,296	-	112	526	-	(795)	4,087	2,174	-	270	173	(409)	1,862	2,225
Total Tangible Assets (A+B)	121,900	4,011	13,819	2,832	(8)	(15,978)	120,928	65,415	946	8,886	2,055	(100)	63,173	57,755
INTANGIBLE ASSETS														
Goodwill on Acquisition & Consolidation	1,929	481	1,108	-	-	(493)	3,025	45	-	3	-	(0)	48	2,977
Technical Knowhow fees	344	-	-	7	-	(122)	215	197	-	25	2	(48)	172	43
Business & Commercial Rights	36	-	35	-	-	(11)	60	30	-	17	-	(7)	40	20
Intellectual Property Rights	893	39	-	359	-	(124)	449	565	-	32	122	(130)	345	104
Software	1,234	6	310	10	-	223	1,763	895	-	235	0	(0)	243	390
Total Intangible Assets	4,436	526	1,453	376	-	(527)	5,512	1,732	-	312	124	(0)	58	3,534
Grand Total	126,336	4,537	15,272	3,208	(8)	(16,505)	126,440	67,147	946	9,198	2,179	(100)	65,151	61,289

¹ Includes ₹ Nil (March 31, 2015: ₹ 89 million) on account of change in estimated useful life based on internal technical assessment. Further, remaining amount pertain to reclassifications.

^{2a} Includes impairment loss amounting to ₹ 3 million (March 31, 2015: ₹ 3 million) recognised during the year (Refer Note 31).

^{2b} Depreciation included impairment. In respect of one of its step down subsidiary, based on the review of future business plans, it 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 ₹ 1,343 million (March 31, 2015: ₹ Nil). (Refer Note 49)

³ Includes depreciation of ₹ 7 million (March 31, 2015: ₹ 10 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, 2016	As At March 31, 2015
Long-term investment:			
Investment Property (at cost less accumulated depreciation) ¹			
	Cost of Buildings	788	916
	Add: Additions during the year	8	-
	Add / (Less): Exchange translation adjustment	68	(128)
	Gross Block	864	788
Accumulated depreciation:			
	Opening balance	236	269
	Add: Depreciation for the year	17	18
	Add / (Less): Exchange translation adjustment	29	(51)
	Net Block	582	552
Trade Investments (Unquoted, valued at cost) ²			
Investment in associates:			
i.	Saks Ancillaries Limited		
	1,000,000 (March 31, 2015 : 1,000,000) equity shares of ₹ 10/- each fully paid up		
	Net asset value as at the beginning of the year	33	32
	Add: Share of profit/ (loss) for current year	(1)	1
	Net asset value as at the end of the year	32	33
ii	Re-time Pty Limited		
	350 equity share (March 31, 2015 : 350) of AUD 1/- each fully paid up		
	Net asset value as at the beginning of the year	20	25
	Less : Disposal during the year		4
	Add: Share of profit/ (loss) for current year	(1)	3
	Add / Less: Exchange difference	1	(4)
	Net asset value as at the end of the year	20	20
	Others:		
	Purpurin Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG³	0	0
	94 equity shares (March 31, 2015 : 94) of EUR 51.129 each fully paid up		
Other Investments (valued at cost, unless stated otherwise)			
Investment in equity instruments:			
Quoted:			
	Ssangyong Motor Corporation	9	9
	18,040 (March 31, 2015: 18,040) equity shares of EUR 3.394 each fully paid up		
Unquoted:			
i.	Motherson Sumi Infotech & Designs Ltd.	-	13
	Nil (March 31, 2015 : 1,250,000) 7% preference shares of ₹ 10/- each fully paid up		
ii.	Motherson Sumi Infotech & Designs Ltd.	14	14
	1,200,000 (March 31, 2015 : 1,200,000) Equity shares of ₹10/- each fully paid up		

Notes to the Consolidated financial statements

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

		As At March 31, 2016	As At March 31, 2015
iii.	Motherson Air Travel Agencies Ltd.	1	1
	120,000 (March 31, 2015 : 120,000) equity shares of ₹ 10/- each fully paid up		
iv.	Green Infra Wind Power Projects Limited	1	1
	120,000 (March 31, 2015 : 120,000) Equity shares of ₹10/- each fully paid up		
v.	Comunidad de Vertidos, "Les Carrases"	4	4
	882 (March 31, 2015 : 882) Equity shares of EUR 69.494/- each fully paid up		
vi.	Daewoo Automotive securities	-	2
	5,861 (March 31, 2015 : 5,861) Bonds of EUR 3.334 per bond		
vii.	Nano Holding	346	-
	6,598,918 (March 31, 2015 : Nil) units of USD 0.76/- each		
viii.	Investment in CAPARO Private Limited		
	1,386 (March 31, 2015 : Nil) preference shares of ₹ 10 each ³	0	-
	99 (March 31, 2015 : Nil) shares of ₹ 10 each ³	0	-
	Long-term investments (Total)	1,009	649
	Aggregate amount of quoted investments	9	9
	Market value of quoted investments	11	13

¹Includes freehold land amounting to ₹ 182 million (March 31, 2015 : ₹ 182 million) rented out alongwith the buildings.

²Trade Investment represents investment made by the Company in shares or debentures of another Company, to promote the trade or business of the Company.

³Amount is below the rounding off norm adopted by the Company.

15. Deferred tax assets (Net)

	As At March 31, 2016	As At March 31, 2015
Deferred tax assets		
Unabsorbed depreciation and Tax losses	1,758	205
Depreciation	394	479
Provision for Employee benefits	244	348
Provision for Doubtful debts/Advances/Inventory	765	286
Income Received in advance ¹	-	284
Others	541	492
Deferred tax liabilities		
Depreciation	46	170
Others	7	15
Total	3,649	1,909

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.

¹This relates to deferred tax asset in respect of tooling advance received by MSSL Global RSA Module Engineering Limited.

Notes to the Consolidated financial statements

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

16. Long term loans and advances

	As At March 31, 2016	As At March 31, 2015
Unsecured, considered good (unless otherwise stated):		
Capital advances	1,111	4,898
Security deposits		
- Considered good	232	145
- Considered doubtful ¹	-	0
Less: Allowance for doubtful security deposits ¹	-	(0)
Security deposits to related parties (Refer note 39)	465	382
Loans and advances to related parties (Refer note 39)	75	27
Advances to be recoverable in cash or in kind for value to be received	50	14
Other loans and advances		
Prepaid expenses	77	153
Housing loan to employees	46	33
Balances with Government Authorities	281	40
Total	2,337	5,692

¹ Amount is below the rounding off norm adopted by the Company

17. Other Non Current Assets

	As At March 31, 2016	As At March 31, 2015
Unsecured, considered good :		
Long-term trade receivables (including trade receivables on deferred credit terms)	4,901	2,032
Long-term deposits with banks with maturity period for more than 12 months	28	60
Other receivables	256	333
Total	5,185	2,425

18. Current Investments

	As At March 31, 2016	As At March 31, 2015
At cost or market value, whichever is less		
Quoted, Non-trade:		
HDFC Bank Ltd. ¹	0	0
2,035 (March 31, 2015 : 2,035) equity shares of ₹ 2/- each fully paid up		
Balrampur Chini Mills Ltd. ¹	0	0
1,200 (March 31, 2015 : 1,200) equity shares of ₹ 1/- each fully paid up		
Jaysynth Dyechem Ltd. ¹	0	0
100 (March 31, 2015 : 100) equity shares of ₹ 10/- each fully paid up		
GIVO Ltd. ¹	0	0
28,475 (March 31, 2015 : 28,475) equity shares of ₹ 10/- each fully paid up		
Mahindra & Mahindra Ltd. ¹	0	0
3,644 (March 31, 2015 : 3,644) equity shares of ₹ 5/- each fully paid up		
Arcotech Limited¹	0	0
200 (March 31, 2015 : 200) equity shares of ₹ 10/- each fully paid up		

Notes to the Consolidated financial statements

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

	As At March 31, 2016	As At March 31, 2015
Unquoted, Non-trade:		
Pearl Engineering Polymers Ltd.	-	-
3,160 (March 31, 2015 : 3,160) equity shares of ₹ 10/- each fully paid up		
Daewoo Motors Limited	-	-
6,150 (March 31, 2015 : 6,150) equity shares of ₹ 10/- each fully paid up		
Athena Financial Services Limited	-	-
66 (March 31, 2015 : 66) equity shares of ₹ 10/- each fully paid up		
Inox Leasing & Finance Limited	-	-
100 (March 31, 2015 : 100) equity shares of ₹ 10/- each fully paid up		
Investments (Net) ¹	0	0
Aggregate amount of quoted investments ¹	0	0
Market value of quoted investments	7	7

¹ All the above amounts are below the rounding off norm adopted by the Company

19. Inventories

	As At March 31, 2016	As At March 31, 2015
Raw Materials	13,811	11,534
Work-in-progress	24,102	18,927
Finished Goods	5,691	5,462
Stock-in-trade	500	933
Stores and spares	929	644
Total	45,033	37,500
Inventory include Inventory in transit of:		
Raw materials	1,712	1,044
Finished goods	473	436

20. Trade Receivables

	As At March 31, 2016	As At March 31, 2015
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	470	210
Doubtful	441	374
	911	584
Less: Provision for doubtful receivables	441	374
	470	210
Other receivables		
Unsecured, considered good ¹	34,186	29,934
Doubtful	260	210
	34,446	30,144
Less: Provision for doubtful receivables	260	210
	34,186	29,934
Total	34,656	30,144
¹ Includes receivables from companies in which Director of the Company is Director	211	10

Notes to the Consolidated financial statements

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

21. Cash and Bank Balances

	As At March 31, 2016	As At March 31, 2015
Cash and Cash Equivalents		
Balances with banks:		
- In current accounts	16,944	17,014
- Deposits with original maturity of less than three months	1,970	1,656
Cheques and drafts on hand	47	7
Cash on hand	29	21
	18,990	18,698
Other Bank Balances		
- Deposits with original maturity for more than three months but less than twelve months	298	206
- Unpaid dividend account	41	15
	339	221
Total	19,329	18,919

22. Short-term Loans and Advances

	As At March 31, 2016	As At March 31, 2015
Unsecured, considered good (unless otherwise stated):		
Security deposits	305	207
Loans and advances to related parties (Refer Note 39) ¹		
Considered good	494	462
Doubtful	51	-
	545	462
Less: Provision for doubtful advances	51	
	494	462
Advances to be recoverable in cash or kind		
Considered good	3,433	3,463
Doubtful	2	2
	3,435	3,465
Less: Provision for doubtful advances	2	2
	3,433	3,463
Other loans and advances		
Advance income tax (net of provision) ²	397	97
Prepaid expenses	623	500
Loans to employees	76	60
Balances with government authorities	2,827	2,606
Interest receivable	10	43
	3,933	3,306
Total	8,165	7,438
¹ Includes advances to company in which Director of the Company is Director	2	4

² Advance income tax and provision for tax have been offset to the extent they relate to the same governing taxation laws.

Notes to the Consolidated financial statements

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

23. Other current assets

	As At March 31, 2016	As At March 31, 2015
Unsecured, considered good (unless otherwise stated):		
Interest accrued on fixed deposits *	0	6
Capital Subsidy Receivable	26	56
Mark to market gain on derivatives	134	34
Other Receivables	379	89
Total	539	185

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

24. Revenue From Operations (Net)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Sales of products		
Finished goods		
Within India	60,437	56,312
Outside India	320,878	292,311
Traded goods	6,170	2,213
Sales of services	969	522
Other operating revenue:		
Scrap sales	267	379
Job work income	17	49
Recovery from customers	2,364	879
Gross Total	391,102	352,665
Less: Excise duty	7,150	5,934
Net Total	383,952	346,731
Details of Sales (Finished Goods):		
Wiring Harness	62,320	54,990
Plastic parts and Modules	211,648	192,157
Mirrors	106,012	99,235
Others	1,335	2,241
Details of Sales (Traded Goods):		
Tools & Moulds	4,619	1,330
Others	1,551	883

Notes to the Consolidated financial statements

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

25. Other Income

	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest Income		
- From Bank Deposits	169	103
- From Others	102	139
Dividend Income		
- From non-current investments	6	5
- From current investments ¹	0	0
Rent	154	171
Change in carrying amount of current investments ¹	0	-
Profit on Sale of tangible assets (Net)	89	24
Export Incentives	102	68
Liabilities written back to the extent no longer required	127	158
Government Grants & Subsidies	450	344
Profit on sale of Long Term Investments	225	-
Proceeds from insurance company	673	1,592
Miscellaneous Income	1,112	1,160
Total	3,209	3,764

¹ Amounts are below the rounding off norm adopted by the Company.

26. Cost of materials consumed

	For the year ended March 31, 2016	For the year ended March 31, 2015
Opening stock of raw materials	10,490	10,499
Opening stock of raw materials (on acquisition)	-	1,454
Add : Purchases of raw materials	231,789	221,839
Less: Closing stock of raw materials	12,099	10,490
Add: Exchange adjustment:		
Exchange differences opening stock (gain)/loss	538	(601)
Exchange differences closing stock (loss)/gain	119	(846)
Total	230,837	221,855

27. Changes in inventory of finished goods, work in progress and stock in trade

	For the year ended March 31, 2016	For the year ended March 31, 2015
(Increase)/ decrease in stocks		
Stock at the opening of the year:		
Finished goods	5,462	4,910
Work-in-progress	18,927	15,273
Stock in trade	933	376
Total A	25,322	20,559
Add: Stock acquired on acquisition		
Finished goods	-	827
Work-in-progress	-	621
Total B	-	1,448

Notes to the Consolidated financial statements

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

	For the year ended March 31, 2016	For the year ended March 31, 2015
Stock at the end of the year:		
Finished goods	5,691	5,462
Work-in-progress	24,102	18,927
Stock in trade	500	933
Total C	30,293	25,322
Exchange adjustment:		
Exchange differences opening stock (gain)/loss	1,640	(1,148)
Exchange differences closing stock (loss)/gain	869	(3,266)
Total D	2,509	(4,414)
(Increase)/ decrease in stocks (A+B-C+D)	(2,462)	(7,729)

28. Employee Benefit Expenses

	For the year ended March 31, 2016	For the year ended March 31, 2015
Salary , Wages & Bonus	63,659	54,892
Contribution to Provident & Other Fund (Refer note 37)	7,464	6,642
Staff welfare expenses	2,589	1,962
Restructuring/ Severance costs	285	156
Total	73,997	63,652

29. Other Expenses

	For the year ended March 31, 2016	For the year ended March 31, 2015
Electricity, Water and Fuel	6,408	6,152
Repairs and Maintenance:		
Machinery	4,081	3,606
Building	1,343	939
Others	1,177	767
Consumption of Stores and Spare Parts	2,149	1,916
Conversion Charges	220	322
Excise Duty expenses ¹	19	24
Lease rent (operating leases) (Refer note 40)	4,388	3,768
Rates & taxes	1,043	772
Insurance	596	504
Net loss on foreign currency transaction	973	114
Donation	113	46
Travelling	1,850	1,730
Freight & forwarding	4,575	4,124
Royalty	393	353
Cash Discount	18	124
Commission	35	34
Provision for Diminution in value of investments (Net) ²	2	0
Bad Debts/Advances written off	163	37
Provision for Doubtful Debts/Advances	105	173
Legal & Professional expenses (Refer Note 41)	3,483	3,358
Business interruption cost	-	1,181
Miscellaneous expenses	10,606	8,281
Total	43,740	38,325

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

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

Notes to the Consolidated financial statements

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

30. Finance Cost

	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest on long term borrowings	1,701	2,027
Interest on shortfall of advance tax	-	9
Other borrowing costs	692	652
Loan prepayment charges	-	124
Commitment charges on borrowings	135	-
Others	178	366
Total	2,706	3,178

31. Depreciation and Amortization Expense

	For the year ended March 31, 2016	For the year ended March 31, 2015
Depreciation on Tangible assets ^{1a & 1b}	11,051	8,886
Amortization on Intangible assets ²	296	312
Depreciation on Investment Property	17	18
Less Capitalised during the year ³	(7)	(10)
Total	11,357	9,206

^{1a} Depreciation on assets used for creation of self generated assets. (Refer Note. 13)

^{1b} Depreciation includes Impairment. In respect of one of its step down subsidiary, based on the review of future business plans, it 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 ₹ 1,343 million (March 31, 2015 : ₹ Nil). (Refer Note 49)

² Amortization includes Impairment. 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 ₹ 3 million (March 31, 2015 : ₹ 3 million).

³ Includes depreciation of ₹ 7 million (March 31, 2015 : ₹ 10 million) capitalised during the year on assets used for creation of self generated assets.

32. Exceptional items (income)/ expense ¹

	For the year ended March 31, 2016	For the year ended March 31, 2015
Expenses incurred in relation to issue of Senior secured notes	291	1,248
Acquisition cost in respect of Wiring business from Stoneridge Inc.	-	400
Total	291	1,648
¹ Exceptional items are in the nature of following expenses:		
Legal & Professional expenses	276	1,328
Commitment charges on borrowings	-	121
Salary, wages & bonus	-	56
Miscellaneous expenses	15	143

Notes to the Consolidated financial statements

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

33. Earnings per share

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
a) Basic		
Net profit after tax	12,737	8,625
Equity Shares outstanding at the beginning of the year	881,919,360	881,919,360
Add: Bonus shares issued by capitalisation of securities premium during the year	440,959,680	
Weighted Average number of equity shares used to compute basic earnings per share	1,322,879,040	1,322,879,040
Basic Earnings (in Rupees) Per Share of ₹ 1/- each. (March 31, 2015 : ₹ 1/- each)	9.63	6.52
b) Diluted		
Net profit after tax available for equity Shareholders	12,737	8,625
Weighted Average number of Equity Shares of ₹ 1 each (March 31, 2015 : ₹ 1 each) outstanding at the end of the year	1,322,879,040	1,322,879,040
Diluted Earnings (in Rupees) Per Share of ₹ 1 each. (March 31, 2015 : ₹ 1 each)	9.63	6.52

The company does not have any potential equity shares and thus, weighted average number of shares for computation of basic EPS and diluted EPS remains same.

34 Contingent Liabilities:

Claims against the Company not acknowledged as debts

	Particulars	As At March 31, 2016	As At March 31, 2015
a)	Excise Matters#	62	64
b)	Customs Demand Matters#	59	75
c)	Sales Tax Matters#	48	103
d)	Service Tax Matters	42	46
e)	Stamp Duty	3	5
f)	Claims made by workmen	38	22
g)	Income Tax Matters	156	135
h)	Unfulfilled export commitment under EPCG Scheme	108	106
i)	Others	147	4

Against which Company has given bank guarantees amounting to ₹ 76 million (March 31, 2015 : ₹ 64 million)

- (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.

Notes to the Consolidated financial statements

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

35 Capital and Other Commitments

Particulars	As At March 31, 2016	As At March 31, 2015
Capital Commitments		
Estimated value of contracts in capital account remaining to be executed, (Net of Advances of ₹ 1,111 million (March 31, 2015: ₹ 4,898 million))	3,835	3,990
Total	3,835	3,990
Other Commitments		
Bank Guarantee	45	33
Others	21	20

36 Derivative instruments and unhedged foreign currency / commodity exposure

a Derivatives outstanding as at the reporting date

(Amount in million)

Particulars/ Purpose	Currency	As At March 31, 2016	As At March 31, 2015
Hedge of external commercial borrowings and long term loans (Buy)	USD : INR	USD 2 ; ₹ 80	USD 3 ; ₹ 163
Forward Contract (Buy)	USD : EUR	USD 25 ; ₹ 1,699	USD 3 ; ₹ 156
	HUF : EUR	HUF 7,651 ; ₹ 1,809	HUF 7,588 ; ₹ 1,686
	EUR : INR	-	EUR 8 ; ₹ 512
	USD : AUD	USD 1 ; ₹ 93	-
	MXP : USD	MXP 121 ; ₹ 486	-
Forward Contract (Sell)	EUR : INR	-	EUR 2 ; ₹ 147
	USD : EUR	-	USD 2 ; ₹ 155
	HUF : EUR	-	HUF 7,603 ; ₹ 1,613
	USD : AUD	USD 1 ; ₹ 92	-
	EUR : KRW	EUR 10 ; ₹ 776	-
Trade Payable (Buy)*	USD : INR	USD 0 ; ₹ 33	-
Interest Rate Swaps	USD : INR	USD 11 ; ₹ 714	-

*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)

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

(Amount in million)

Currency	As At March 31, 2016		As At March 31, 2015	
	Payable / (Receivable)		Payable / (Receivable)	
	Foreign currency	₹	Foreign currency	₹
AED	1	18	3	44
AUD	(1)	(42)	(2)	(101)
CNY	(3)	(35)	(82)	(828)
CZK*	0	1	-	-
CHF*	0	7	-	-
EUR*	61	4,629	(42)	(2,839)
GBP	(7)	(675)	(4)	(333)
HUF	309	74	274	61
INR	30	30	(172)	(172)
JPY	2,055	1,209	1,036	539
KRW	-	-	49	3
MXN	(46)	(177)	(24)	(100)
MYR*	0	4	-	-
SEK	1	8	-	-
SGD*	0	3	-	-
THB	22	42	9	19
USD	126	8,349	(10)	(624)

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

c. Mark to market losses / (gain) on foreign currency:

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Mark to Market losses/(gain) accounted for	(29)	(69)

d. Commodity hedging:

Particulars	As At March 31, 2016		As At March 31, 2015	
	Quantity	Amount	Quantity	Amount
Copper (buy)*	LB 630,000	USD 1 ; ₹ 99	LB 770,000	USD 2 ; ₹ 145
	MT 192	USD 1 ; ₹ 82	MT 192	USD 1 ; ₹ 77

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

e. Mark to market losses / (gain) on commodity hedging:

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Mark to Market losses/(Gain) accounted for	24	17

Notes to the Consolidated financial statements

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

37 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

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Obligations at year beginning	3,239	2,798
Service Cost - Current	284	277
Interest Cost	75	119
Actuarial (gain) / loss	56	480
Benefit Paid	(98)	(140)
Settlement (gain)/loss*	(1,165)	-
Deletion on account of discontinuation of Joint Ventures	(5)	-
Effect of Exchange rate change	349	(295)
Addition due to transfer of employee	19	-
Obligations at year end	2,754	3,239

(ii) Fair Value of Plan Assets

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Plan assets at year beginning, at fair value	2,064	2,002
Expected return on plan assets	62	113
Actuarial gain / (loss)	(7)	(144)
Contributions	319	307
Benefits paid	(42)	(110)
Settlement (gain)/loss*	(1,188)	-
Effect of Exchange rate change	244	(104)
Deletion on account of discontinuation of Joint Ventures	(3)	-
Addition due to transfer of employee	15	-
Plan assets at year end, at fair value	1,464	2,064

* In respect of a subsidiary, the scheme wound up in December 2015 with policies assigned to individual members and henceforth the Company has no further obligations in respect of the scheme.

Notes to the Consolidated financial statements

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

(iii) Assets and Liabilities recognized in the Balance Sheet

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Present Value of the defined benefit obligations	2,754	3,239
Fair value of the plan assets	1,464	2,064
Amount not recognized because of limitation of assets	-	-
Amount recognized as Liability	1,290	1,175
Recognised Under		
Long Term Provision (Refer Note No 8)	1,141	1,046
Short Term Provision (Refer Note No 12)	149	129

(iv) Defined benefit obligations cost for the year:

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Service Cost - Current	284	277
Interest Cost	75	119
Expected return on plan assets	(62)	(113)
Actuarial (gain) / loss	63	624
Net defined benefit obligations cost	360	907

(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:

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
LIC	730	522
Equities	-	-
Bonds, Gilts and Others	734	1,502
Cash	-	40
Total	1,464	2,064

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.

Notes to the Consolidated financial statements

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

(vi) Actuarial assumptions:

Particulars	As At March 31, 2016		As At March 31, 2015	
	Indian Entities	Outside India Entities	Indian Entities	Outside India Entities
Discount Rate per annum	7.80% - 8.0%	1.7% - 7.9%	7.75% - 8.0%	1.65% - 9.07%
Future salary increases	5.5% - 8.0%	2.0% - 8%	5.25% - 8.0%	2.5% - 7.5%
Expected return on plan asset	8.0% - 9.1%	1.5% - 15.0%	8.0% - 8.85%	3.5% - 15.0%

(vii) Amount recognised in current year and previous four years:

Particulars	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Defined benefit obligations	2,754	3,239	2,798	2,416	2,052
Plan assets	(1,464)	(2,064)	(2,002)	(1,555)	(1,374)
Deficit /(Surplus)	1,290	1,175	796	861	678

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

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Gratuity	337	294

(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

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Obligations at beginning of year	276	214
Service Cost - Current	41	63
Interest Cost	20	13
Actuarial (gain) / loss	22	31
Benefit Paid	(29)	(54)
Effect of Exchange rate change	2	9
Deletion on account of discontinuation of Joint Ventures	(2)	-
Addition due to transfer of employee	10	-
Obligations at year end	340	276

Notes to the Consolidated financial statements

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

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

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Present Value of the defined benefit obligations	340	276
Fair value of the plan assets	-	-
Amount recognised as Liability	340	276
Recognised Under		
Long Term Provision (Refer Note No 8)	317	260
Short Term Provision	23	16

(iii) Defined benefit obligations cost for the year:

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Service Cost - Current	41	63
Interest Cost	20	13
Expected return on plan assets	-	-
Actuarial (gain) / loss	22	31
Net defined benefit obligations cost	83	107

(iv) Actuarial assumptions:

Particulars	As At March 31, 2016		As At March 31, 2015	
	Indian Entities	Outside India Entities	Indian Entities	Outside India Entities
Discount Rate per annum	7.75% - 8.0%	0.22% - 9.07%	7.75% - 7.9%	0.22% - 9.07%
Future salary increases	5.5% - 8.0%	2.0% - 8.0%	5.25% - 8.0%	2.0% - 7.5%

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

Particulars	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Defined benefit obligations	340	276	214	165	105
Plan assets	-	-	-	-	-
Deficit /(Surplus)	340	276	214	165	105

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

B. Defined Contribution Schemes

The Group deposits an amount determined at a fixed percentage of basic pay every month to the State administered Provident Fund, Employee State Insurance (ESI) and Social Insurance for the benefit of the employees. Accordingly, the Group's contribution during the year that has been charged to revenue amounts to ₹ 7,289 million (March 31, 2015 : ₹ 5,628 million).

38. 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 organization and management structure and the internal performance reporting systems.

Notes to the Consolidated financial statements

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

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

a) Information about Primary Business Segment.

Particulars	Automotive		Non-automotive		Unallocated		Total	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Segment revenue								
External	374,064	338,827	12,345	11,219	481	207	386,890	350,253
Intersegment	-	-	-	-	-	-	-	-
Total revenue *	374,064	338,827	12,345	11,219	481	207	386,890	350,253
Results								
Segment result	26,227	22,202	599	512	-	-	26,826	22,714
Interest expense (net of Interest income)					2,435	2,936	2,435	2,936
Other Unallocable (net of Income)					993	1,607	993	1,607
Profit before taxation							23,398	18,171
Provision for taxation					5,836	5,256	5,836	5,256
Profit of Associate					(2)	4	(2)	4
Net profit after tax							17,560	12,919
- Concern Share							12,737	8,625
- Minority Share							4,823	4,294
Other items								
Segment assets	195,300	167,973	6,512	6,821	5,323	819	207,135	175,613
Segment liabilities	82,190	75,150	1,199	1,602	66,975	55,576	150,364	132,328
Capital expenditure	25,793	18,158	409	148	4	53	26,206	18,359
Depreciation & Impairment	11,079	8,933	242	240	36	33	11,357	9,206
Non-cash expenditure other than depreciation and impairment mentioned above	218	179	8	30	44	0#	270	209

* Excluding Interest Income

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)

b) Information about Secondary Business Segments

Particulars	India		Outside India		Unallocated		Total	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Revenue by geographical markets								
External	60,966	53,580	325,443	296,466	481	207	386,890	350,253
Inter segment	-	-	-	-	-	-	-	-
Total	60,966	53,580	325,443	296,466	481	207	386,890	350,253
Carrying amount of segment assets	38,149	34,057	163,663	140,737	5,323	819	207,135	175,613
Addition to fixed assets	3,055	2,176	23,147	16,130	4	53	26,206	18,359

c) Inter Segment Transfer Pricing

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

39. Related Party Disclosures

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

a. Joint Ventures:

- 1 Kyungshin Industrial Motherson Private Limited
- 2 Calsonic Kansei Motherson Auto Products Private Limited
- 3 Ningbo SMR Huaxiang Automotive Mirrors Co. Limited (Indirectly through Subsidiary)
- 4 Chongqing SMR Huaxiang Automotive Products Limited (Indirectly through Subsidiary)
- 5 Celulosa Fabril (Cefa) S.A. (Zaragoza, ES) (Indirectly through Subsidiary)
- 6 Modulos Rivera Alta S.L.U. (Indirectly through Subsidiary)
- 7 Samvardhana Motherson Nippisun Technology Ltd (SMNTL)
- 8 Eissmann SMP Automotive interieur Slovakia s.r.o. (Indirectly through Subsidiary)
- 9 Woco Motherson Elastomer Limited (Discontinued from 28.05.2015)
- 10 Woco Motherson Advanced Rubber Technologies Limited (Discontinued from 28.05.2015)
- 11 Woco Motherson Limited (FZC) (Indirectly through Subsidiary) (Discontinued from 28.05.2015)

b. Associate Companies:

- 1 Saks Ancillaries Limited
- 2 Re-time Pty Limited

c. Key Management Personnel:

i) Board of Directors:

- 1 Mr. V.C. Sehgal
- 2 Mr. Laksh Vaaman Sehgal
- 3 Mr. Toshimi Shirakawa
- 4 Maj. Gen. Amarjit Singh (Retd.) (Resigned on 28.07.2015)
- 5 Mr. Arjun Puri
- 6 Mr. Pankaj Mital
- 7 Mr. S C Tripathi, IAS (Retd.)
- 8 Mr. Gautam Mukherjee
- 9 Ms. Geeta Mathur
- 10 Mr. Naveen Ganzu (appointed on 14.10.2015)
- 11 Ms. Noriyo Nakamura

Notes to the Consolidated financial statements

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

ii) Other Key Management Personnel:

- 1 Mr. G.N. Gauba
- 2 Mr. Sanjay Mehta

iii) Relatives of Key Management Personnel:

- 1 Ms. Renu Sehgal (Wife of Mr. V.C. Sehgal)
- 2 Ms. Vidhi Sehgal (Daughter of Mr. V.C. Sehgal)
- 3 Ms. Geeta Soni (Sister of Mr. V.C. Sehgal)
- 4 Ms. Neelu Mehra (Sister of Mr. V.C. Sehgal)
- 5 Ms. Samriddhi Sehgal (Wife of Mr. L.V. Sehgal)
- 6 Master Siddh Vaasav Sehgal (Son of Mr. L.V. Sehgal)

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

- 1 Motherson Auto Limited
- 2 Motherson Air Travel Agencies Limited
- 3 Ganpati Auto Industries (Partnership Firm)
- 4 Southcity Motors Private Limited
- 5 Motherson Techno Tools Limited
- 6 Motherson Techno Tools Mideast (FZE)
- 7 SWS India Management & Support Service (P) Limited
- 8 Vaaman Auto Industry (Partnership Firm)
- 9 MothersonSumi INFotech and Designs Limited
- 10 Motherson Engineering Research and Integrated Technologies Limited
- 11 Moon Meadows Private Limited
- 12 Sisbro Motor and Workshop Private Limited
- 13 NACHI Motherson Tool Technology Limited
- 14 Motherson (Partnership Firm)
- 15 Samvardhana Motherson International Limited (also a Joint venturer)
- 16 A Basic Concepts Design Pty Limited
- 17 ATAR Mauritius Private Limited
- 18 Motherson Auto Solutions Limited
- 19 Motherson Machinery and Automations Limited
- 20 Spheros Motherson Thermal System Limited
- 21 Matsui Technologies India Limited
- 22 Motherson Moulds and Diecasting Limited
- 23 Anest Iwata Motherson Private Limited
- 24 Field Motor Private Limited
- 25 AES (India) Engineering Limited
- 26 Motherson Auto Engineering Service Limited
- 27 Anest Iwata Motherson Coating Equipment Private Limited
- 28 Nissin Advanced Coating Indo Co. Private Limited.
- 29 Magnetti Marelli Motherson Holding India BV
- 30 Magnetti Marelli Motherson Auto System Private Limited
- 31 Samvardhana Motherson Finance Services Cyprus Limited
- 32 Samvardhana Motherson Refrigeration Product Limited
- 33 Samvardhana Motherson Virtual Analysis Ltd.
- 34 Tigers Connect Travel Systems and Solutions Limited
- 35 Samvardhana Motherson Holding (M) Private Limited.
- 36 Motherson Advanced Tooling Solutions Limited
- 37 SCCL Infra Projects Limited
- 38 SCCL Global Projects (FZE)
- 39 Fritzmeier Motherson Cabin Engineering Private Limited.
- 40 Air Factory Energy Limited
- 41 CTM India Limited.
- 42 MSID U.S. Inc

Notes to the Consolidated financial statements

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

- 43 Motherson Consultancies Service Limited
- 44 Spirited Auto Cars (I) Limited
- 45 Motherson Lease Solution Limited
- 46 Systematic Conscom Limited
- 47 MAS Middle East Ltd. (FZE)
- 48 Nachi Motherson Precision Ltd.
- 49 Motherson Bergstrom HVAC Solutions Private Limited
- 50 Motherson Sintermetal Technology Limited
- 51 Advanced Technologies and Auto Resources Pte. Ltd.
- 52 Edcol Global Pte. Limited
- 53 Motherson Innovative Technologies and Research
- 54 Radha Rani Holdings Pte Ltd
- 55 Shri Sehgal's Trustee Company Private Limited
- 56 Nirvana Niche Products Private Limited
- 57 Nirvana Foods GmbH
- 58 Magneti Marelli Motherson Shock Absorbers India Private Limited
- 59 Samvardhana Motherson Auto System Private Limited
- 60 Samvardhana Motherson Auto Component Private Limited
- 61 Mothersonsumi Infotech & Designs KK
- 62 MothersonSumi INFOTEK and Design GmbH
- 63 Mothersonsumi Infotech and Designs SG Pte. Ltd.
- 64 Motherson Invenzen XLab Private Limited (formerly known as Invenzen Technologies Pvt. Ltd.)
- 65 Motherson Sintermetal Products S.A.

e. Joint Venturer:

- 1 Sumitomo Wiring Systems Limited, Japan
- 2 Kyungshin Corporation, Korea
- 3 Woco Franz Josef Wolf Holding GmbH, Germany (Discontinued from 28.05.2015)
- 4 Calsonic Kansei Corporation, Japan
- 5 E-Compost Pty. Limited, Australia
- 6 Dremotech GmbH & Co. KG., Germany
- 7 Cross Motorsport Systems AG
- 8 Blanos Partners S.L.
- 9 Changshu Automobile Interior Decoration Co., Ltd
- 10 Ningbo Huaxiang Electronic Co., Ltd.
- 11 Eissmann Automotive Slovensko s.r.o
- 12 Nippon Pigment (s) pte Ltd.
- 13 Toyota Thusho Corporation

Notes to the Consolidated financial statements

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

II. Details of transactions, in the ordinary course of business at commercial terms, and balances with related parties as mentioned in 39 (I) above:

S. No.	Particulars	Parties mentioned in 39 (1) (a) above		Parties mentioned in 39 (1) (b) & (d) above		Parties mentioned in 39 (1) (e) above		Parties mentioned in 39 (1) (c) above	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
1	Sale of products	2,120	1,848	130	194	554	553	-	-
2	Sales of services	389	362	38	30	0#	0#	-	-
3	Rent income	37	45	31	39	-	-	-	-
4	Sale of fixed assets	-	-	-	0#	-	-	-	-
5	Purchase of goods	1,604	57	1,339	1,239	3,109	2,695	-	-
6	Purchase of fixed assets	-	26	946	692	171	77	-	-
7	Purchase of services	32	5	1,499	1,435	48	25	-	2
8	Rent expense	-	-	546	420	-	-	5*	4*
9	Reimbursement made	0#	0#	81	69	1	0#	0#	-
10	Reimbursement received	15	7	10	25	1	0#	-	-
11	Investments made during the year	-	-	-	-	-	-	-	-
12	Purchase of shares	-	-	-	-	-	-	-	-
13	Investments redeemed/ sale of shares	-	-	13	4	-	-	-	-
14	Royalty	-	-	-	0#	397	356	-	-
15	Remuneration/ sitting fees of directors and key management personnel	-	-	-	-	-	-	53	42
16	Interest income	4	3	10	11	-	-	-	-
17	Interest expense	-	-	8	20	0#	-	-	-
18	Dividend paid	-	-	2,215	823	1,634	665	180**	67**
19	Dividend received	258	215	6	5	-	-	-	-
20	Capital received from minority	-	-	265	-	-	-	-	-
21	Loans received during the year	-	-	15	2	-	-	-	-
22	Loans given during the year	37	85	463	12	-	-	-	-
23	Loans repaid during the year	-	-	-	475	-	-	-	-
24	Loans received back during the year	52	25	204	100	-	-	-	-
25	Security deposits received	-	1	-	-	-	-	-	-

Notes to the Consolidated financial statements

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

S. No.	Particulars	Parties mentioned in 39 (1) (a) above		Parties mentioned in 39 (1) (b) & (d) above		Parties mentioned in 39 (1) (e) above		Parties mentioned in 39 (1) (c) above	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
26	Security deposits received back	-	-	22	37	-	-	-	-
27	Security deposits repaid	-	-	7	5	-	-	-	-
28	Security deposit given	-	-	105	225	-	-	-	-
	Balances as at year end								
29	Investments	-	-	52	62	-	-	-	-
30	Loans & advances	75	89	545	400	-	-	-	-
31	Borrowings	-	-	98	105	20	20	-	-
32	Interest payable	-	-	-	-	-	-	-	-
33	Interest Receivable	-	-	3	-	-	-	-	-
34	Security Deposit Received	36	42	20	27	-	-	-	-
35	Security Deposits	-	-	465	382	-	-	-	-
36	Trade Payable	186	4	625	367	582	394	-	-
37	Trade Receivable	251	269	50	29	40	54	-	-
38	Advances from customer	0#	0#	-	0#	0#	-	-	-

* Rent of ₹ 5 million (March 31, 2015: ₹ 4 million) paid to Mr. V.C Sehgal, Mr. Laksh Vaaman Sehgal, Ms. Renu Sehgal, and Ms. Vidhi Sehgal.

**Dividend of ₹ 180 million (March 31, 2015 : ₹ 67 million) paid to Mr. V. C. Sehgal, Mr. Laksh Vaaman Sehgal, Ms. Renu Sehgal, Ms. Neelu Mehra, Ms. Geeta Soni, Mr. Pankaj Mital, Mr. G.N. Gauba, and Ms. Geeta Mathur

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

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

S. No.	Particulars	Name of Related Party	March 31, 2016	March 31, 2015
1	Sale of products	Kyungshin Industrial Motherson Limited	1,736	1,695
		Sumitomo Wiring Systems Limited, Japan	504	550
2	Sale of services	Kyungshin Industrial Motherson Limited	330	288
		Ningbo SMR Huaxiang Automotive Mirrors Co. Limited	21	64
3	Rent income	Woco Motherson Elastomer Limited	-	12
		Calsonic Kansei Motherson Auto Products Private Limited	31	28
		Motherson Moulds and Diecasting Limited	10	9
		Magneti Marelli Motherson Auto System Limited	8	9
		Motherson Sintermetal Technology Limited	7	12
4	Sale of fixed assets	Motherson Sumi Infotech and Designs Limited	-	0#

Notes to the Consolidated financial statements

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

S. No.	Particulars	Name of Related Party	March 31, 2016	March 31, 2015
5	Purchase of goods	Kyungshin Industrial Co., Korea	2,187	1,823
		Sumitomo Wiring Systems Limited, Japan	894	828
		Edcol Global Pte. Limited	687	567
		CTM India Limited	474	418
		Eissmann SMP Automotive Interieur Slovensko s.r.o.	1,525	0#
6	Purchase of fixed assets	Systematic Conscom Limited	771	588
		Sumitomo Wiring Systems Ltd., Japan	164	40
7	Purchase of services	Saks Ancillaries Limited	63	168
		Motherson Auto Limited	232	192
		Motherson Air Travel Agencies Limited	277	248
		Motherson Sumi Infotech and Designs Limited	532	496
		MAS Middle East Ltd. (FZE)	151	116
8	Rent expense	Motherson Auto Limited	222	148
		Motherson Lease Solution Ltd.	294	224
9	Reimbursement made	A Basic Concepts Design Pty Limited	35	44
		MAS Middle East Ltd. (FZE)	11	9
		Motherson Auto Ltd.	15	4
		Motherson Lease Solution Ltd.	10	6
10	Reimbursement received	Samvardhana Motherson Nippisun Technology Limited	5	6
		Motherson Auto Limited	2	21
		Samvardhana Motherson International Ltd.	4	1
		MothersonSumi Infotech and Designs Ltd.	3	1
		Kyungshin Industrial Motherson Pvt. Ltd.	5	-
		Calsonic Kansei Motherson Auto Products Pvt. Ltd.	4	-
11	Royalty & technical fee	Sumitomo Wiring Systems Limited, Japan	264	258
		Kyungshin Industrial Co., Korea	83	69
		Calsonic Kansei Corporation, Japan	50	29
12	Investment redeemed/ sales of shares	Re-time Pty Limited	-	4
		MothersonSumi Infotech and Designs Ltd.	13	-
13	Remuneration/ sitting fees of directors and key management personnel	Mr. Pankaj Mital	15	12
		Mr. Sanjay Mehta	9	7
		Mr. G. N. Gauba	13	11
14	Interest income	Motherson Auto Limited	-	11
		Samvardhana Motherson Nippisun Technology Limited	4	3
		MAS Middle East Ltd. (FZE)	10	-
15	Interest expense	Samvardhana Motherson International Limited	7	20
16	Dividend paid	Samvardhana Motherson International Limited	2,198	814
		Sumitomo Wiring Systems Limited, Japan	1,505	558
17	Dividend received	Kyungshin Industrial Motherson Limited	258	215
18	Capital received from minority	Samvardhana Motherson Holding (M) Pvt. Ltd.	265	-

Notes to the Consolidated financial statements

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

S. No.	Particulars	Name of Related Party	March 31, 2016	March 31, 2015
19	Loan received during the year	Samvardhana Motherson International Limited	15	-
		Samvardhana Motherson Holding (M) Pvt. Ltd.	-	2
20	Loans given during the year	Samvardhana Motherson Nippisun Technology Limited	-	25
		MAS Middle East Ltd. (FZE)	415	-
		Ningbo SMR Huaxiang Automotive Mirrors Co. Limited	-	43
		Celulos Fabril S.A.	4	17
		Motherson Auto Limited	-	12
21	Loans Repaid during the year	Samvardhana Motherson International Limited	-	477
22	Loans Received back during the year	Motherson Auto Limited	-	100
		MAS Middle East Ltd. (FZE)	204	-
		Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd.	43	-
		Samvardhana Motherson Nippisun Technology Limited	-	25
23	Security Deposits Given	Motherson Auto Limited	40	63
		Motherson Lease Solution Ltd.	64	116
24	Security Deposits Received Back	Motherson Auto Limited	15	33
		Motherson Lease Solution Limited	6	4
25	Security Deposits Repaid	CTM India Limited	5	5
		Saks Ancillaries Ltd.	1	-
Balances as at year end				
26	Borrowings	Samvardhana Motherson International Limited	98	83
		Samvardhana Motherson Holding (M) Pvt. Ltd.	-	22
		Calsonic Kansei Corporation, Japan	20	20
27	Interest Receivable	MAS Middle East Ltd. (FZE)	3	-
28	Loans and advances	Motherson Auto Limited	51	132
		CTM India Limited	157	218
		Samvardhana Motherson Nippisun Technology Limited	51	25
		Ningbo SMR Huaxiang Automotive Mirrors Co. Limited	-	43
		Celulos Fabril S.A.	21	17
		Systematic Conscom Ltd.	88	23
		MAS Middle East Ltd. (FZE)	211	-
29	Security deposit received	Kyungshin Industrial Motherson Limited	30	30
		CTM India Limited	13	18
30	Security deposits	Motherson Auto Limited	191	166
		Motherson Lease Solution Ltd.	274	216
31	Trade payable	Sumitomo Wiring Systems Limited, Japan	343	199
		MothersonSumi Infotech and Designs Limited	100	94
		Kyungshin Industrial Co., Korea	177	156

Notes to the Consolidated financial statements

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

S. No.	Particulars	Name of Related Party	March 31, 2016	March 31, 2015
32	Trade receivable	Kyungshin Industrial Motherson Limited	170	209
		Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd.	39	46
		Sumitomo Wiring Systems Limited, Japan	38	54
33	Advance from customers	Anest Iwata Motherson Private Limited	-	0#
		Calsonic Kansei Corporation, Japan	-	0#
		Kyungshin Industrial Motherson Pvt. Ltd.	0#	-
		Sumitomo Wiring Systems Ltd., Japan	0#	-

Amount is below the rounding off norm adopted by the Company

40 Leases

i. Finance Leases:

Assets acquired on finance lease and hire purchase contract comprise property and plant & machinery. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clause.

The minimum lease payments and present value of minimum lease payments are as follows:

Particulars	Minimum Lease Payments		Present value of Minimum lease payments	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Not later than one year	589	583	551	534
Later than 1 year and not later than 5 years	530	729	483	685
Later than 5 years	76	89	70	80
Total	1,195	1,401	1,104	1,299
Less: Finance Charges	91	102		
Present value of minimum lease payment	1,104	1,299		
Disclosed under:				
Other long term borrowings (Refer Note 5)	553	765		
Other Current Liabilities (Refer Note 11)	551	534		

ii. Operating Leases:

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

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
With respect to all operating leases		
Lease payments recognized in the Statement of Profit and Loss during the year	4,384	3,764
Sub-lease payments received / receivable recognized in the Statement of Profit and Loss during the year	154	171

Notes to the Consolidated financial statements

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

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	For the year ended March 31, 2016	For the year ended March 31, 2015
Payable not later than 1 year	2,176	716
Payable later than 1 year and not later than 5 years	3,888	1,591
Payable later than 5 years	1,581	583

41 Payment to Group's Auditors:

Particulars	As At March 31, 2016	As At March 31, 2015
As Auditor:		
Audit fees (including limited review)	43	43
Other Services	6	1
Reimbursement of expenses	5	7
Total	54	51

42 Disclosure relating to entities considered in the consolidated financial statements:

A. Details of subsidiaries which have been consolidated are as follows:

Name of the Company	Country of Incorporation	% voting power held as at		Reporting Dates used for Consolidation
		March 31, 2016	March 31, 2015	
MSSL Mauritius Holdings Limited	Mauritius	100%	100%	March 31,2016
MSSL Mideast (FZE)	UAE	100%	100%	March 31,2016
Motherson Electrical Wires Lanka Private Limited	Sri Lanka	100%	100%	March 31,2016
MSSL Handels GmbH (Liquidated on 23.07.2014)	Austria	-	-	
MSSL (S) Pte Limited	Singapore	100%	100%	March 31,2016
MSSL (GB) Limited (held by MSSL Mideast (FZE))	UK	100%	100%	March 31,2016
Motherson Wiring System (FZE) (held by MSSL Mideast (FZE))	UAE	100%	100%	March 31,2016
MSSL Tooling (FZE) (held by MSSL Mideast (FZE))	UAE	100%	100%	March 31,2016
MSSL Ireland Private Limited (held by MSSL Mauritius Holdings Limited)	Ireland	100%	100%	March 31,2016
MSSL GmbH (held by MSSL Mideast (FZE))	Germany	100%	100%	March 31,2016
Samvardhana Motherson Invest Deutschland GmbH (held by MSSL GmbH)	Germany	100%	100%	March 31,2016
MSSL Advanced Polymers s.r.o.(held by MSSL GmbH)	Czech Republic	100%	100%	March 31,2016
Motherson Orca Precision Technology GmbH (held by MSSL GmbH)	Germany	95.10%	95.10%	March 31,2016
MSSL s.r.l. Unipersonale (held by MSSL GmbH)	Italy	100%	100%	March 31,2016

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, 2016	March 31, 2015	
Motherhood Techno Precision México, S.A. de C.V. (held by MSSL GmbH)	Mexico	100%	100%	March 31, 2016
Samvardhana Motherhood Polymers Management Germany GMBH (held by MSSL GmbH)	Germany	100%	100%	March 31, 2016
Samvardhana Motherhood Plastic Solutions GMBH & Co KG (held by MSSL GmbH)	Germany	100%	100%	March 31, 2016
Global Environment Management (FZC) (held by MSSL Mauritius Holdings Limited)	UAE	78.82%	78.82%	March 31, 2016
Global Environment Management Australia Pty Limited (held by Global Environment Management (FZC))	Australia	100%	100%	March 31, 2016
MSSL Australia Pty Limited (held by MSSL (S) Pte. Limited)	Australia	80%	80%	March 31, 2016
Motherhood Elastomers Pty Limited (held by MSSL Australia Pty Limited)	Australia	100%	100%	March 31, 2016
Motherhood Investments Pty Limited (held by MSSL Australia Pty Limited)	Australia	100%	100%	March 31, 2016
MSSL Global RSA Module Engineering Limited (held by MSSL Mauritius Holdings Limited)	South Africa	100%	100%	March 31, 2016
Samvardhana Motherhood Global Holdings Ltd. (SMGHL) (held by MSSL Mauritius Holdings Limited)	Cyprus	51%	51%	March 31, 2016
MSSL Japan Limited (held by MSSL (S) Pte Limited)	Japan	100%	100%	March 31, 2016
MSSL México, S.A. De C.V. (held by MSSL (S) Pte Limited)	Mexico	100%	100%	March 31, 2016
Vacuform 2000 (Proprietary) Limited (held by MSSL Mauritius Holdings Limited)	South Africa	51%	51%	March 31, 2016
MSSL WH System (Thailand) Co., Ltd. (held by MSSL (S) Pte. Ltd.)	Thailand	100%	100%	March 31, 2016
MSSL Korea WH Limited (held by MSSL (S) Pte. Ltd.)	Korea	100%	100%	March 31, 2016
MSSL Automobile Component Ltd.	India	100%	100%	March 31, 2016
Samvardhana Motherhood Polymers Limited (SMPL)	India	51%	51%	March 31, 2016
MSSL Consolidated Inc. (held by MSSL (GB) Ltd.)	USA	100%	100%	March 31, 2016
MSSL Overseas Wiring System Ltd. (held by MSSL Consolidated Inc.)	UK	100%	100%	March 31, 2016
MSSL Wiring System Inc. (held by MSSL Overseas Wiring System Ltd.)	USA	100%	100%	March 31, 2016
Alphabet de Mexico, S.A. de C.V. (held by MSSL (GB) Ltd.)	Mexico	100%	100%	March 31, 2016

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, 2016	March 31, 2015	
Alphabet de Mexico de Monclova, S.A. de C.V. (held by MSSL (GB) Ltd.)	Mexico	100%	100%	March 31,2016
Alphabet de Saltillo, S.A. de C.V. (held by MSSL (GB) Ltd.)	Mexico	100%	100%	March 31,2016
MSSL Wirings Juarez, S.A. de C.V.	Mexico	100%	100%	March 31,2016
Samvardhana Motherson Automotive Systems Group B.V. (SMRPBV) (formerly Samvardhana Motherson B.V.) (held by SMGHL and SMPL)	Netherlands	100%	100%	March 31,2016
Samvardhana Motherson Peguform GmbH (held by SMRPBV)	Germany	100%	100%	March 31,2016
SMP Deutschland GmbH (held by Samvardhana Motherson Peguform GmbH and SMGHL)	Germany	100%	100%	March 31,2016
SMP Automotive Technology Iberica S.L. (by SMRPBV)	Spain	100%	100%	March 31,2016
SMP Automotive Technology Management Services (Changchun) Co. Ltd. (held by SMP Deutschland GmbH)	China	100%	100%	March 31,2016
SMP Automotive Technologies Teruel Sociedad Limitada (held by SMP Automotive Technology Iberica S.L.)	Spain	100%	100%	March 31,2016
SMP Automotive Systems Mexico S.A. de C.V. (held by SMP Automotive Technology Iberica S.L.)	Mexico	100%-1share	100%-1share	March 31,2016
Samvardhana Motherson Peguform Barcelona S.L.U (held by SMP Automotive Technology Iberica S.L.)	Spain	100%	100%	March 31,2016
SMP Logistik Service GmbH (previously known as SMP Automotive Solutions Personalleasings GmbH) (held by SMP Deutschland GmbH)	Germany	100%	100%	March 31,2016
Samvardhana Motherson Peguform Automotive Technology Portugal S.A. (held by SMP Automotive Technology Iberica S.L.)	Portugal	100%	100%	March 31,2016
SMP Automotive Solutions Slovakia s.r.o (held by SMP Deutschland GmbH)	Slovakia	100%	100%	March 31,2016
Changchun Peguform Automotive Plastics Technology Co., Ltd.(held by SMP Deutschland GmbH)	China	50% +1share	50% +1share	March 31,2016
SMP Tecnologia Parachoques S.A. de C.V. (till 01.04.2014 - merged with SMP Automotive Systems Mexico S.A. de C.V.)	Mexico	-	-	-
SMP Shock Absorber Fabrication Mexico S.A. de C.V. (till 01.04.2014 - merged with SMP Automotive Systems Mexico S.A. de C.V.)	Mexico	-	-	-

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, 2016	March 31, 2015	
SMP Automotive Produtos Automotivos do Brasil Ltda. (held by SMP Automotive Technology Iberica S.L.)	Brazil	100%-1share	100%-1share	March 31,2016
Foshan Peguform Automotive Plastics Technology Co. Ltd. (held by Changchun Peguform Automotive Plastics Technology Co., Ltd.)	China	100%	100%	March 31,2016
SMP Exterior Automotive GmbH (held by Samvardhana Motherson Peguform GmbH)	Germany	100%	100%	March 31,2016
SMP Automotive Interiors (Beijing) Co. Ltd (held by SMRPBV)	China	100%	100%	March 31,2016
Samvardhana Motherson Reflectec Group Holdings Limited (SMR) (held by Samvardhana Motherson Automotive Systems Group B.V.)	Jersey	98.45%	98.45%	March 31,2016
SMIA BV & Co. KG (held by Samvardhana Motherson Peguform GmbH)	Germany	100%	100%	March 31,2016
SMR Automotive Holding Hong Kong Limited (held by SMR)	Hong Kong	100%	100%	March 31,2016
SMR Automotive Technology Holding Cyprus Limited (held by SMR)	Cyprus	100%	100%	March 31,2016
SMR Automotive Mirror Systems Holding Deutschland GmbH (held by SMR)	Germany	100%	100%	March 31,2016
SMR Automotive Mirrors Stuttgart GmbH (held by SMR)	Germany	100%	100%	March 31,2016
SMR Poong Jeong Automotive Mirrors Korea Ltd. (held by SMR)	South Korea	89.86%	89.86%	March 31,2016
SMR Hyosang Automotive Ltd. (held by SMR)	South Korea	89.86%	89.86%	March 31,2016
SMR Holding Australia Pty Ltd. (held by SMR)	Australia	100%	100%	March 31,2016
SMR Automotive Australia Pty Limited (held by SMR)	Australia	100%	100%	March 31,2016
SMR Automotive Mirror Technology Hungary BT (held by SMR)	Hungary	100%	100%	March 31,2016
SMR Grundbesitz GmbH & Co. KG (held by SMR)	Germany	93.07%	93.07%	March 31,2016
SMR Automotive (Langfang) Co. Ltd. (held by SMR,Korea)	China	89.86%	89.86%	March 31,2016
SMR Automotive Mirror Parts and Holdings UK Ltd. (held by SMR)	UK	100%	100%	March 31,2016
SMR Automotive Services Portchester Ltd. (held by SMR) (till – dissolved)	UK	-	-	
SMR Automotive Mirrors UK Limited (held by SMR)	UK	100%	100%	March 31,2016
SMR Automotive Technology Valencia S.A.U. (held by SMR)	Spain	100%	100%	March 31,2016

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, 2016	March 31, 2015	
SMR Automotive Mirror Services UK Ltd. (held by SMR)	UK	100%	100%	March 31,2016
SMR Automotive Technology Holdings USA Partners (till- 31.03.2014 - dissolved)	USA	-	-	
SMR Automotive Mirror International USA Inc. (held by SMR)	USA	100%	100%	March 31,2016
SMR Automotive Systems USA Inc. (held by SMR)	USA	100%	100%	March 31,2016
SMR Automotive Systems France S.A. (held by SMR)	France	100%	100%	March 31,2016
SMR Automotive Systems India Limited (held by SMR)	India	100%	100%	March 31,2016
SMR Automotive Yancheng Co. Limited (held by SMR)	China	100%	100%	March 31,2016
SMR Automotive Beijing Company Limited (held by SMR)	China	100%	100%	March 31,2016
SMR Automotive Mirror Technology Holding Hungary KFT (held by SMR)	Hungary	100%	100%	March 31,2016
SMR Automotive Systems Spain S.A.U (held by SMR)	Spain	100%	100%	March 31,2016
SMR Automotive Vision Systems Mexico S.A de C.V (held by SMR)	Mexico	100%	100%	March 31,2016
SMR Automotive Servicios Mexico S.A de C.V (held by SMR)	Mexico	100%	100%	March 31,2016
SMR Patents S.à.r.l. (held by SMR)	Luxembourg	100%	100%	March 31,2016
SMR Automotive Beteiligungen Deutschland GmbH (held by SMR)	Germany	100%	100%	March 31,2016
SMR Automotive Brasil Ltda. (held by SMR)	Brazil	100%	100%	March 31,2016
SMR Automotives Systems Macedonia Dooel Skopje (held by SMR)	Macedonia	100%	100%	March 31,2016
SMR Automotive System (Thailand) Limited (held by SMR)	Thailand	100%	100%	March 31,2016
SMR Automotive Operations Japan K.K. (held by SMR)	Japan	100%	100%	March 31,2016
SMR Automotive Vision System Operations USA INC . (held by SMR)	USA	100%	100%	March 31,2016
SMR Mirror UK Limited (held by SMR)	UK	100%	100%	March 31,2016
Samvardhana Motherson Innovative Autosystems Holding Company BV (held by SMR)	Netherlands	100%	100%	March 31,2016
SM Real Estate GmbH (held by SMP Automotive Exterior GmbH)	Germany	94.80%	94.80%	March 31,2016
SMIA de Mexico, S.A. de C.V. (earlier known as Kunststoff-Technik Trier de Mexico S.A de CV) (held by SMR)	Mexico	99%	99%	March 31,2016

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, 2016	March 31, 2015	
Property Holdings Trier de México S.A de C.V (held by SMR) (Merged with SMIA de Mexico, S.A. de C.V.)	Mexico	-	99%	March 31,2016
Administrative Services Trier de México S.A. de C.V (held by SMR) (Merged with SMIA de Mexico, S.A. de C.V.)	Mexico	-	99%	March 31,2016
Samvardhana Motherson Global (FZE) (Held by SMR)	UAE	100%	-	March 31,2016
Motherson Innovations Company Limited (Held by SMR)	England	100%	-	March 31,2016
Motherson Innovations Deutschland GmbH	Germany	100%	-	March 31,2016
SMP Automotive Systems Alabama Inc. (held by SMR)	USA	100%	-	March 31, 2016

b. Details of Associate Companies which have been consolidated are as follows:

Name of the Company	Country of Incorporation	% voting power held as at		Reporting Dates used for Consolidation
		March 31, 2016	March 31, 2015	
SAKS Ancillaries Limited	India	40.01%	40.01%	March 31,2016
Re time Pty Limited (held by SMR)	Australia	35%	35%	March 31,2016

c. Details of Joint Venture Companies which have been consolidated are as follows:

Name of the Company	Country of Incorporation	% voting power held as at		Reporting Dates used for Consolidation
		March 31, 2016	March 31, 2015	
Kyungshin Industrial Motherson Limited	India	50%	50%	March 31,2016
Calsonic Kansei Motherson Auto Products Private Limited	India	49%	49%	March 31, 2016
Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd. (through SMR)	China	50%	50%	March 31, 2016
Chongqing SMR Huaxiang Automotive Products Limited (through SMR)	China	50%	50%	March 31, 2016
Celulosa Fabril S.A. (Zaragoza, ES) (through SMP automotive technology Iberica S.L.)	Spain	50%	50%	March 31, 2016
Modulos Rivera Alta S.L.U. (through Celulosa Fabril S.A.)	Spain	100%	100%	March 31, 2016
Eissmann SMP Automotive Interieur Slovensko s.r.o (through SMP Deutschland GmbH)	Slovakia	49%	49%	March 31, 2016
Samvardhana Motherson Nippisun Technology Ltd. (SMNTL)	India	49.50%	49.50%	March 31, 2016
Woco Motherson Limited (FZC) (through MSSL Mauritius Holdings Limited)	U.A.E	-	33.33%	-
Woco Motherson Elastomers Limited	India	-	33.33%	-
Woco Motherson Advanced Rubber Technologies Limited	India	-	33.33%	-

Notes to the Consolidated financial statements

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

43. Interest in Joint Ventures

The Group's interests, as a venture, in jointly controlled entities as at March 31, 2016 are:

Name of the Company	Country of Incorporation	% voting power held as at	
		March 31, 2016	March 31, 2015
Kyungshin Industrial Motherson Private Limited	India	50%	50%
Calsonic Kansei Motherson Auto Products Private Limited	India	49%	49%
Ningbo SMR Huaxiang Automotive Mirrors Co. Limited	China	50%	50%
Chongqing SMR Huaxiang Automotive Products Limited	China	50%	50%
Celulosa Fabril S.A. (through SMP Automotive Technology Iberica S.L.)	Spain	50%	50%
Modulos Rivera Alta S.L.U. through Celulosa Fabril (Cefa) S.A.	Spain	50%	50%
Eismann SMP Automotive Interieur Slovensko s.r.o	Slovakia	49%	49%
Samvardhana Motherson Nippisun Technology Ltd (SMNTL)	India	49.50%	49.50%
Woco Motherson Limited (FZC)	UAE	-	33.33%
Woco Motherson Elastomers Limited	India	-	33.33%
Woco Motherson Advanced Rubber Technologies Limited	India	-	33.33%

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	Year ended March 31, 2016	Year ended March 31, 2015
(a) Assets:		
Tangible Assets	2,517	2,236
Intangible Assets	70	63
Capital Work in Progress	183	324
Intangible Asset under development	33	50
Non Current Investments	206	269
Deferred tax assets (Net)	95	84
Long-term loans and advances	555	595
Other non-current assets	229	164
Current Investments	7	0#
Inventories	1,565	1,369
Trade Receivables	3,709	2,925
Cash and Bank balances	1,612	1,451
Short-term loans and advances	240	269
Other current assets	108	115
(b) Liabilities		
Long-term borrowings	1,020	1,268
Deferred tax liability (Net)	13	12
Other long-term liabilities	44	34
Long-term provision	37	32
Short-term borrowings	584	677
Trade Payables	3,764	3,038
Other current liabilities	950	561
Short-term provisions	57	94

Notes to the Consolidated financial statements

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

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
(c) Income		
Revenue from operations (net of excise duty)	18,149	15,827
Other Income	430	283
(d) Expenses		
Cost of Materials Consumed	11,193	11,087
Changes in inventories of finished goods work-in-progress and Stock-in-trade	(129)	(110)
Employee benefits expense	2,606	1,362
Other expenses	2,289	1,614
Finance Costs	130	145
Depreciation and amortization expense	517	384
Provision for current and deferred tax	587	431
Profit after Tax	1,386	1,197
Contingent Liabilities		
- In respect Excise tax matters	5	5
- In respect Service Tax Matters	-	2
- In respect Income Tax Matters	7	33
- Bank Guarantees	-	2
- Others	121	106
Capital Commitment	14	17

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

44. 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

Onerous contracts represent management's best estimate of the amount by which the expected benefits from certain specific contracts are lower than the unavoidable cost of meeting its obligations under those contracts. The time frame within which such provisions will unwind varies by contract.

Litigations

Provision for litigations/disputes represents claims against the company not acknowledged as debts that are expected to materialise in respect of matters in litigation.

Provision for litigation has been created in respect of following matters:

- Labour claims - ₹51 million (March 31, 2015 : ₹ 29 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.
- Civil claims - ₹ 6 million (March 31, 2015 : ₹ 24 million): Amount of the provision relates to claims against the company from suppliers.
- Tax and other claims - ₹83 million (March 31, 2015 : ₹ 54 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

Notes to the Consolidated financial statements

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

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 - ₹ 76 million (March 31, 2015 : ₹ 64 million): 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.

The group has the following provisions in the books of account:

Particulars	Warranty		Onerous Contracts		Litigations	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Opening Balance	918	871	9	1	217	156
Additions during the year	665	739	-	11	114	141
Addition on account of acquisition	-	54	-	-	-	-
Utilised / Reversed during the year	(392)	(646)	-	(1)	(128)	(42)
Exchange translation adjustment	73	(100)	1	(2)	13	(38)
Closing Balance	1,264	918	10	9	216	217
Classified as Non - Current (Refer Note 8)	100	94	-	-	56	97
Classified as Current (Refer Note 12)	1,164	824	10	9	160	120

45 Percentage of Group in Net Assets (total assets minus total liabilities) and share in profit or loss.

Current year: 2015-16

Name of entity	Net Assets		Share in profit or (loss)	
	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Profit / (loss)	Amount
Motherson Sumi Systems Limited	43	24,367	52	7,119
Subsidiaries:				
Indian:				
Samvardhana Motherson Polymers Ltd.	1	331	(0)#	(16)
MSSL Automobile Component Ltd.	(0)#	(0)#	(0)#	(0)#
Foreign:				
Samvardhana Motherson Automotive Systems Group B.V.(SMRPBV) *	41	23,064	64	8,851
Alphabet De Mexico S.A. de C.V	1	328	0#	56
Alphabet De Saltillo S.A. de C.V.	0#	89	0#	28
Alphabet De Mexico de Monclova S.A. de C.V	0#	151	0#	24
MSSL Wirings Juarez S.A. de C.V.	0#	1	0#	1
MSSL Wiring Systems Inc.	3	1,884	1	72
MSSL Australia Pty Ltd*	1	448	0#	30
MSSL GmbH*	1	826	2	318
Vacuform 2000 (Proprietary) Limited	(0)#	(70)	0#	26
MSSL Global RSA Module Engineering Limited	1	698	4	527
MSSL (S) Pte Ltd.	2	888	(2)	(190)
MSSL Japan Limited	0#	99	0#	36
Motherson Electrical Wires Lanka Pvt. Ltd.	1	612	2	279
MSSL Mexico S.A. De C.V.	0#	240	1	74
MSSL WH System (Thailand) Co. Ltd.	0#	53	(0)#	(46)
MSSL Korea WH Limited	(0)#	(8)	(0)#	(8)

Notes to the Consolidated financial statements

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

Name of entity	Net Assets		Share in profit or (loss)	
	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Profit / (loss)	Amount
MSSL Consolidated Inc.	3	1,890	(1)	(78)
MSSL Mideast (FZE)	15	8,734	5	641
MSSL GB Limited	5	2,621	1	71
Motherson Wiring System (FZE)	(0)#	(123)	0#	1
MSSL Tooling (FZE)	1	462	1	111
MSSL Ireland Private Ltd.	0#	21	0#	3
Global Environment Management (FZC)*	(0)#	(74)	(0)#	(4)
MSSL Mauritius Holdings Limited	5	2,771	1	99
Samvardhana Motherson Global Holdings Limited	(1)	(648)	(0)#	(7)
Associates (Investment as per Equity method)				
Indian:				
SAKS Ancillaries Limited	0#	29	0#	(1)
Joint Ventures (As per Proportionate Consolidation)				
Indian:				
Kyungshin Industrial Motherson Limited	2	1,257	4	529
Calsonic Kansei Motherson Auto Products Private Limited	0#	284	0#	20
Minority Interest in All Subsidiaries	(25)	(14,411)	(35)	(4,823)
Total	100	56,814	100	13,743
Adjustment arising out of consolidation		(14,358)		(1,006)
As per consolidated financial statement		42,456		12,737

Previous Year: 2014-15

Name of entity	Net Assets		Share in profit or (loss)	
	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Profit / (loss)	Amount
Motherson Sumi Systems Limited	44	21,021	57	5,149
Subsidiaries:				
Indian:				
Samvardhana Motherson Polymers Ltd.	1	347	(1)	(57)
MSSL Automobile Component Ltd	0#	0#	(0)#	(0)#
Foreign:				
Samvardhana Motherson Automotive Systems Group B.V.(SMRPBV) *	33	16,014	82	7,394
Alphabet De Mexico S.A. de C.V.	1	293	1	68
Alphabet De Saltillo S.A. de C.V.	0#	66	0#	14
Alphabet De Mexico de Monclova S.A. de C.V	0#	136	0#	17
MSSL Wiring Systems Inc	4	1,717	(5)	(409)
MSSL Australia Pty Ltd*	1	441	1	43
MSSL GmbH*	1	412	(0)#	(44)
Vacuform 2000 (Proprietary) Limited	(0)#	(108)	1	37
MSSL Global RSA Module Engineering Limited	1	236	0#	8
MSSL (S) Pte Ltd	2	953	0#	18

Notes to the Consolidated financial statements

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

Name of entity	Net Assets		Share in profit or (loss)	
	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Profit / (loss)	Amount
MSSL Japan Limited	0#	53	0#	28
Motherson Electrical Wires Lanka Pvt. Ltd.	2	1,058	3	226
MSSL Mexico S.A. De C.V.	0#	180	(2)	(157)
MSSL WH System (Thailand) Co. Ltd.	0#	102	(1)	(69)
MSSL Korea WH Limited	0#	1	0#	(2)
MSSL Consolidated Inc.	4	1,857	(4)	(333)
MSSL Mideast (FZE)	15	7,175	9	775
MSSL GB Limited	5	2,577	1	83
Motherson Wiring System (FZE)	(0)#	(110)	0#	(4)
MSSL Tooling (FZE)	1	308	2	126
MSSL Ireland Private Ltd.	0#	16	0#	3
Global Environment Management (FZC)*	(0)#	(66)	0#	(2)
MSSL Mauritius Holdings Limited	5	2,373	1	93
Samvardhana Motherson Global Holdings Limited	(2)	(806)	(2)	(174)
MSSL Handels GmbH	-	-	0#	10
Associates (Investment as per Equity method)				
Indian:				
SAKS Ancillaries Limited	0#	29	0#	1
Joint Ventures (As per Proportionate Consolidation)				
Indian:				
Kyungshin Industrial Motherson Limited	2	1,038	6	546
Calsonic Kansei Motherson Auto Products Private Limited	1	264	(2)	(142)
Samvardhana Motherson Nippisun Technology Ltd	(0)#	(7)	(0)#	(36)
Woco Motherson Advanced Rubber Technologies Limited	0#	237	1	60
Woco Motherson Elastomers Limited	0#	109	0#	21
Foreign:				
Woco Motherson Limited (FZC)	0#	61	0#	18
Minority Interest in All Subsidiaries	(21)	(10,142)	(48)	(4,294)
Total	100	47,835	100	9,015
Adjustment arising out of consolidation		(14,597)		(390)
As per consolidated financial statement		33,238		8,625

* Net assets and profit / (loss) is consolidated amount of the subsidiary, including its step down subsidiaries, joint ventures and associates. Share in profit or (loss) is before minority interest.

Amount is below the rounding off norm adopted by the Company

46 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.

Notes to the Consolidated financial statements

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

- 47** Current tax expense includes reversal of provision for income tax for earlier years of ₹ 386 million (Previous year: ₹ Nil) due to completion of tax assessments of the Company.
- 48** During the year, the Company discontinued its joint venture with Woco Franz Josef Wolf Holding GmbH, Germany (joint venture partner) and accordingly interest in the joint venture entities namely Woco Motherson Elastomer Limited, Woco Motherson Advanced Rubber Technologies Limited and Woco Motherson Limited (FZC) has been transferred to the joint venture partner. Other income for year ended March 31, 2016 include gain on disposal of interest in the aforesaid entities aggregating to ₹ 219 million.
- 49** During the year, SMP Automotive Produlos Automolivos do Brasil Ltda, a step-down subsidiary of the Company has revised its future business plans and accordingly has estimated recoverable value of certain fixed assets based on value in use which is lower than the carrying value. Consequently, an impairment loss of ₹ 1,343 million (Euro 18.57 million) has been recognised under "Depreciation and Amortization Expense" in the consolidated financial results for year ended March 31, 2016.
- 50** During the year ended March 31, 2016, one of the subsidiaries of the Company, Samvardhana Motherson Automotive Systems Group ("SMRP BV" or "the Subsidiary") issued Euro 100 million (₹ 7,538 million) 3.70% Senior Secured Notes due 2025 (the "Notes"). The Notes bear interest at a rate of 3.70% payable annually on June 18 of each year and will mature on June 18, 2025. The Notes are listed on the Irish Stock Exchange and trade on the Global Exchange Market of the Irish Stock Exchange.

The Notes carry a prepayment option and as per the terms of the indenture the Subsidiary may at any time prior to June 18, 2025, redeem all or a portion of the Notes by paying 100% of the principal amount of such Notes, plus accrued and unpaid interest and Additional Amounts, if any, to the date of redemption, plus a "make-whole" premium. In addition, prior to June 18, 2025, the subsidiary may redeem, at its option, up to 35% of the Notes with the net proceeds from certain equity offerings.

The Notes are structured as senior secured obligations and will rank pari passu in right of payment with all the existing and future senior obligations of SMRP BV, including the obligations under 4¹/₈% Senior Secured Notes Due 2021 and the Revolving Credit Facility. The Notes are guaranteed on a senior secured basis by certain subsidiaries of SMRP BV and are secured by share pledge and security interests granted over certain property and assets of SMRP BV and certain of its subsidiaries.

The gross proceeds from the issuance of the Notes, after meeting initial bond expenses, is intended for utilisation towards general corporate purposes including certain incurring capital expenditures at step down subsidiaries.

- 51** Previous year figures have been reclassified to conform to this year's classification.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

RAJIB CHATTERJEE

Partner

Membership No: 057134

Place: Noida

Date : May 17, 2016

For and on behalf of the Board

V.C. SEHGAL

Chairman

PANKAJ MITAL

Whole-time Director/
Chief Operating Officer

NORIYO NAKAMURA

Director

G.N. GAUBA

Chief Financial Officer
& Company Secretary

Notes to the Consolidated financial statements

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

Statement Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 relating to subsidiary companies

Sl. No.	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and as on the last date of the relevant Financial year in the case of foreign subsidiaries	Exchange Rate	Share capital	Reserves & surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	% of share holding	Country
1	MSSL Mauritius Holdings Limited	March 31, 2016	EUR	75.38	2,851	(80)	3,063	292	1,754	-	105	2	103	100%	Mauritius
2	MSSL Mideast (FZE)	March 31, 2016	EUR	75.38	3,333	5,401	9,487	753	4,083	3,330	668	-	668	100%	UAE
3	Motherson Electrical Wires Lanka Private Limited	March 31, 2016	USD	66.25	10	602	676	64	-	1,244	320	37	283	100%	Sri Lanka
4	MSSL (S) Pte Limited	March 31, 2016	SGD	49.15	1,010	(123)	891	3	783	-	(198)	0	(198)	100%	Singapore
5	MSSL (GB) Limited	March 31, 2016	GBP	95.12	2,438	184	2,835	214	2,389	1,233	84	15	69	100%	UK
6	Motherson Wiring System (FZE)	March 31, 2016	EUR	75.38	2	(125)	74	196	-	-	1	-	1	100%	UAE
7	MSSL Tooling (FZE)	March 31, 2016	EUR	75.38	2	459	555	93	-	577	116	-	116	100%	UAE
8	MSSL Ireland Private Limited	March 31, 2016	EUR	75.38	4	17	25	4	-	-	4	1	3	100%	Ireland
9	MSSL GmbH	March 31, 2016	EUR	75.38	19	891	2,158	1,248	450	1,084	70	4	66	100%	Germany
10	Samvardhana Motherson Invest Deutschland GmbH	March 31, 2016	EUR	75.38	15	75	183	93	-	53	1	0	1	100%	Germany
11	MSSL Advanced Polymers s.r.o.	March 31, 2016	CZK	2.79	5	245	1,630	1,379	-	2,555	279	66	213	100%	Czech Republic
12	Motherson Orca Precision Technology GmbH	March 31, 2016	EUR	75.38	75	(18)	762	704	0	545	(5)	-	(5)	95.10%	Germany
13	MSSL s.r.l. Unipersonale	March 31, 2016	EUR	75.38	1	1	13	11	-	15	3	2	1	100%	Italy
14	Motherson Techno Precision México, S.A. de C.V	March 31, 2016	MXP	3.83	0	(193)	516	708	-	601	(55)	12	(67)	100%	Mexico

Notes to the Consolidated financial statements

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

Sl. No.	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and as on the last date of the relevant Financial year in the case of foreign subsidiaries	Exchange Rate	Share capital	Reserves & surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	% of share holding	Country
15	Samvardhana Motherson Polymers Management Germany GmbH	March 31, 2016	EUR	75.38	2	0	2	0	-	-	0	-	0	100%	Germany
16	Samvardhana Motherson Plastic Solutions GMBH & Co KG	March 31, 2016	EUR	75.38	1	116	277	159	-	1,678	104	13	92	100%	Germany
17	Global Environment Management (FZC)	March 31, 2016	AUD	50.71	355	(156)	273	74	-	12	(3)	-	(3)	78.82%	UAE
18	Global Environment Management Australia Pty Limited	March 31, 2016	AUD	50.71	0	(273)	0	273	-	-	(1)	-	(1)	100%	Australia
19	MSSL Australia Pty Limited	March 31, 2016	AUD	50.71	177	51	218	(10)	0	-	36	3	33	80%	Australia
20	Motherson Elastomers Pty Limited	March 31, 2016	AUD	50.71	0	246	500	255	-	947	32	10	22	100%	Australia
21	Motherson Investments Pty Limited	March 31, 2016	AUD	50.71	0	(5)	199	204	-	-	7	3	4	100%	Australia
22	MSSL Global RSA Module Engineering Limited	March 31, 2016	ZAR	4.49	269	429	3,305	2,607	-	4,279	821	329	493	100%	South Africa
23	Samvardhana Motherson Global Holdings Ltd.	March 31, 2016	EUR	75.38	152	66,963	67,766	652	67,762	-	(7)	-	(7)	51%	Cyprus
24	MSSL Japan Limited	March 31, 2016	JPY	0.59	10	89	409	310	-	1,440	63	24	39	100%	Japan
25	MSSL México, S.A. De C.V.	March 31, 2016	MXP	3.83	437	(197)	570	329	-	858	32	(40)	72	100%	Mexico
26	Vacuform 2000 (Proprietary) Limited	March 31, 2016	ZAR	4.49	5	(75)	348	418	-	567	24	-	24	51%	South Africa
27	MSSL WH System (Thailand) Co. Ltd.	March 31, 2016	THB	1.89	283	(230)	640	587	-	730	(47)	-	(47)	100%	Thailand
28	MSSL Korea WH Limited	March 31, 2016	KRW	0.06	12	(19)	48	56	-	108	(8)	-	(8)	100%	Korea
29	MSSL Automobile Component Ltd.	March 31, 2016	INR	1.00	1	(0)	0	0	-	-	(0)	-	(0)	100%	India

Notes to the Consolidated financial statements

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

Sl. No.	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and as on the last date of the relevant Financial year in the case of foreign subsidiaries	Exchange Rate	Share capital	Reserves & surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	% of share holding	Country
30	Samvardhana Motherson Polymers Limited	March 31,2016	INR	1.00	37	294	533	203	528	-	(16)	-	(16)	51%	India
31	MSSL Consolidated Inc.	March 31,2016	USD	66.25	-	(435)	2,288	2,724	2,259	-	(79)	-	(79)	100%	USA
32	MSSL Overseas Wiring system Ltd.	March 31,2016	GBP	95.12	-	0	0	0	0	0	0	-	0	100%	UK
33	MSSL Wiring System Inc.	March 31,2016	USD	66.25	-	(375)	5,839	6,214	-	15,902	73	-	73	100%	USA
34	Alphabet de Mexico, S.A. de C.V.	March 31,2016	MXP	3.83	7	322	313	(16)	-	1,777	92	38	54	100%	Mexico
35	Alphabet de Mexico de Monclova, S.A. de C.V.	March 31,2016	MXP	3.83	0	150	63	(88)	-	839	31	8	23	100%	Mexico
36	Alphabet de Saltillo, S.A. de C.V.	March 31,2016	MXP	3.83	0	89	43	(46)	-	832	31	5	27	100%	Mexico
37	MSSL Wirings Juarez S.A. de C.V.	March 31,2016	MXP	3.83	0	1	11	9	-	106	5	3	1	100%	Mexico
38	Samvardhana Motherson Automotive Systems Group B.V.	March 31,2016	EUR	75.38	5	66,737	113,745	47,003	78,830	241	(404)	-	(404)	100%	Netherlands
39	Samvardhana Motherson Peguform GmbH	March 31,2016	EUR	75.38	2	4,067	14,484	10,415	9,084	109	(252)	1,086	(1,338)	100%	Germany
40	Samvardhana Motherson Innovative Autosystems Holding Company BV	March 31,2016	EUR	75.38	8	7	15	1	-	11	9	-	9	100%	Netherlands
41	SMP Automotive Interiors (Beijing) Co. Ltd.	March 31,2016	ONV	10.27	452	(586)	713	846	-	-	(492)	-	(492)	100%	China
42	SMP Exterior Automotive GmbH	March 31,2016	EUR	75.38	2	1,011	8,825	7,812	2	7,350	(322)	46	(368)	100%	Germany
43	Samvardhana Motherson Innovative Autosystems BV & Co. KG	March 31,2016	EUR	75.38	226	2,076	4,429	2,126	-	16,414	1,436	147	1,289	100%	Germany
44	SM Real Estate GmbH	March 31,2016	EUR	75.38	2	3	840	835	-	137	32	10	22	100%	Germany

Notes to the Consolidated financial statements

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

Sl. No.	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and as on the last date of the relevant Financial year in the case of foreign subsidiaries	Exchange Rate	Share capital	Reserves & surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	% of share holding	Country
45	Samvardhana Motherson Innovative Autosystems de Mexico, S.A. de C.V.	March 31, 2016	MXP	3.83	725	(778)	492	544	-	639	(65)	23	(88)	100%	Mexico
46	SMP Deutschland GmbH	March 31, 2016	EUR	75.38	2	12,361	50,060	37,696	1,033	89,942	2,717	(147)	2,865	100%	Germany
47	SMP Automotive Solutions Slovakia s.r.o	March 31, 2016	EUR	75.38	0	(1,091)	357	1,448	-	2,103	(103)	-	(103)	100%	Slovakia
48	SMP Logistik Service GmbH	March 31, 2016	EUR	75.38	2	37	108	69	-	439	6	1	5	100%	Germany
49	Changchun Peguform Automotive Plastics Technology Co., Ltd.	March 31, 2016	CNY	10.27	581	5,819	10,221	3,821	257	14,864	2,238	335	1,903	50% +1share	China
50	SMP Automotive Technology Management Services (Changchun) Co. Ltd.	March 31, 2016	CNY	10.27	11	(29)	1	19	-	-	12	1	11	100%	China
51	Foshan Peguform Automotive Plastics Technology Co. Ltd.	March 31, 2016	CNY	10.27	257	5	708	446	-	305	25	3	22	100%	China
52	SMP Automotive Technology Iberica S.L.	March 31, 2016	EUR	75.38	1,071	273	13,438	12,093	5,551	15,951	(1,367)	(1,016)	(350)	100%	Spain
53	SMP Automotive Technologies Teruel Sociedad Limitada	March 31, 2016	EUR	75.38	226	218	596	151	-	904	151	(28)	180	100%	Spain
54	Samvardhana Motherson Peguform Barcelona S.L.U	March 31, 2016	EUR	75.38	19	705	5,001	4,276	-	35,753	388	63	325	100%	Spain
55	SMP Automotive Produtos Automotivos do Brasil Ltda.	March 31, 2016	BRL	18.44	5,082	(6,377)	1,467	2,762	-	5,012	(2,809)	-	(2,809)	100%-ishare	Brazil
56	SMP Automotive Systems Mexico S.A. de C.V.	March 31, 2016	MXP	3.83	4,119	(1,731)	10,181	7,793	-	3,645	(1,161)	(297)	(865)	100%-ishare	Mexico
57	Samvardhana Motherson Peguform Automotive Technology Portugal S.A.	March 31, 2016	EUR	75.38	8	216	1,284	1,060	-	5,915	175	14	161	100%	Portugal
58	SMP Automotive Systems Alabama Inc.	March 31, 2016	USD	66.25	-	(106)	414	519	-	-	(109)	-	(109)	100%	USA

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

Sl. No.	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and as on the last date of the relevant Financial year in the case of foreign subsidiaries	Exchange Rate	Share capital	Reserves & surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	% of share holding	Country
59	Samvardhana Motherson Reflectec Group Holdings Limited	March 31, 2016	EUR	75.38	2,295	6,335	10,206	1,576	6,407	-	2,144	-	2,144	98.45%	Jersey
60	SMR Automotive Holding Hong Kong Limited	March 31, 2016	EUR	75.38	173	20	241	48	191	-	100	-	100	100%	Hong Kong
61	SMR Automotive Technology Holding Cyprus Limited	March 31, 2016	EUR	75.38	151	5,916	6,617	551	6,547	-	1,260	-	1,260	100%	Cyprus
62	SMR Automotive Mirror Systems Holding Deutschland GmbH	March 31, 2016	EUR	75.38	2	(5)	2,013	2,015	251	-	756	102	654	100%	Germany
63	SMR Automotive Mirrors Stuttgart GmbH	March 31, 2016	EUR	75.38	2	541	2,155	1,612	8	134	207	-	207	100%	Germany
64	SMR Poong Jeong Automotive Mirrors Korea Ltd.	March 31, 2016	KRW	0.06	233	4,187	8,727	4,307	683	20,995	1,076	87	989	89.86%	South Korea
65	SMR Hyosang Automotive Ltd.	March 31, 2016	KRW	0.06	26	1,140	2,581	1,415	-	6,552	243	53	190	89.86%	South Korea
66	SMR Holding Australia Pty Ltd.	March 31, 2016	AUD	50.71	1,721	7	1,704	(24)	1,641	-	456	(0)	456	100%	Australia
67	SMR Automotive Australia Pty Limited	March 31, 2016	AUD	50.71	572	928	2,977	1,476	20	6,896	631	163	468	100%	Australia
68	SMR Automotive Mirror Technology Hungary BT	March 31, 2016	EUR	75.38	77	1,308	7,668	6,283	-	26,241	1,374	26	1,347	100%	Hungary
69	SMR Grundbesitz GmbH & Co. KG	March 31, 2016	EUR	75.38	4	339	421	78	-	-	(9)	(18)	9	93.07%	Germany
70	SMR Automotive (Langfang) Co. Ltd.	March 31, 2016	CNY	10.27	501	(621)	1,916	2,036	-	2,377	(235)	-	(235)	89.86%	China
71	SMR Automotive Mirror Parts and Holdings UK Ltd.	March 31, 2016	EUR	75.38	0	11,759	13,997	2,238	4,479	-	362	-	362	100%	UK
72	SMR Automotive Mirrors UK Limited	March 31, 2016	EUR	75.38	0	905	3,324	2,418	-	11,611	825	184	641	100%	UK
73	SMR Automotive Technology Valencia S.A.U.	March 31, 2016	EUR	75.38	188	(2)	192	6	5	-	(11)	(3)	(8)	100%	Spain

Notes to the Consolidated financial statements

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74	SMR Automotive Mirror Services UK Ltd.	March 31, 2016	GBP	95.12	-	-	-	-	-	-	0	-	0	100%	UK
75	SMR Automotive Mirror International USA Inc.	March 31, 2016	USD	66.25	5,021	775	6,258	462	5,485	-	1,385	-	1,385	100%	USA
76	SMR Automotive Systems USA Inc.	March 31, 2016	USD	66.25	5	5,278	8,484	3,201	-	18,962	2,398	495	1,903	100%	USA
77	SMR Automotive Systems France S.A.	March 31, 2016	EUR	75.38	1,039	(515)	1,658	1,133	-	4,370	(97)	-	(97)	100%	France
78	SMR Automotive Systems India Limited	March 31, 2016	INR	1.00	137	1,096	2,752	1,519	-	4,647	445	148	296	100%	India
79	SMR Automotive Yancheng Co. Limited	March 31, 2016	CNY	10.27	202	476	1,179	500	-	1,398	146	47	99	100%	China
80	SMR Automotive Beijing Company Limited	March 31, 2016	CNY	10.27	35	325	586	226	-	2,421	(11)	7	(18)	100%	China
81	SMR Automotive Mirror Technology Holding Hungary KFT	March 31, 2016	EUR	75.38	2	1,244	1,247	1	1,033	-	460	-	460	100%	Hungary
82	SMR Automotive Systems Spain S.A.U	March 31, 2016	EUR	75.38	88	467	2,760	2,205	166	4,507	484	139	345	100%	Spain
83	SMR Automotive Vision Systems Mexico S.A de C.V	March 31, 2016	USD	66.25	480	973	4,019	2,566	39	5,751	719	204	515	100%	Mexico
84	SMR Automotive Servicios Mexico S.A de C.V	March 31, 2016	MXP	3.83	0	51	52	-	-	-	(9)	-	(9)	100%	Mexico
85	SMR Patents S.à.r.l.	March 31, 2016	EUR	75.38	1	(17)	47	63	-	-	(12)	16	(29)	100%	Luxembourg
86	SMR Automotive Beteiligungen Deutschland GmbH	March 31, 2016	EUR	75.38	2	131	241	108	-	-	73	-	73	100%	Germany
87	SMR Automotive Brasil Ltda.	March 31, 2016	BRL	18.44	865	(833)	1,252	1,220	-	1,542	(284)	-	(284)	100%	Brazil

Notes to the Consolidated financial statements

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

Sl. No.	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and as on the last date of the relevant Financial year in the case of foreign subsidiaries	Exchange Rate	Share capital	Reserves & surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	% of share holding	Country
88	SMR Automotives Systems Macedonia Dooel Skopje	March 31,2016	EUR	75.38	0	(14)	0	14	-	-	(0)	-	(0)	100%	Macedonia
89	SMR Automotive System (Thailand) Limited	March 31,2016	THB	1.89	892	(406)	696	210	-	970	(52)	-	(52)	100%	Thailand
90	SMR Automotive Operations Japan K.K.	March 31,2016	JPY	0.59	15	23	103	66	-	165	23	8	15	100%	Japan
91	SMR Automotive Vision System Operations USA INC .	March 31,2016	USD	66.25	0	3,746	13,021	9,275	3,746	-	0	-	0	100%	USA
92	SMR Mirror UK Limited	March 31,2016	EUR	75.38	0	1,483	10,758	9,275	10,758	-	560	-	560	100%	UK
93	Motherson Innovations Company Ltd.	March 31,2016	EUR	75.38	348	(0)	350	2	348	-	(0)	-	(0)	100%	UK
94	Samvardhana Motherson Global (FZE)	March 31,2016	USD	66.25	3	7	140	131	-	-	7	-	7	100%	UAE
95	Motherson Innovations Deutschland GMBH	March 31,2016	EUR	75.38	2	(0)	2	-	-	-	(0)	-	(0)	100%	Germany

Notes:

- Investment includes investment in subsidiaries and joint venture entities
- Proposed dividend from any of the subsidiary is nil.
- SMP Automotive Systems Alabama Inc. is yet to commence operation.

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)

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sl. No.	Name of Associates/Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate/joint venture is not Consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year Considered in Consolidation	Not Considered in Consolidation
			No.	Amount of Investment in Associates/Joint Venture	Extend of Holding %					
1	Kyungshin Industrial Motherson Limited	March 31, 2016	8,600,000	86	50%	As per Joint Venture Agreement		1,257	1,058	
2	Calsonic Kansei Motherson Auto Products Private Limited	March 31, 2016	30,930,836	400	49%	As per Joint Venture Agreement		284	41	
3	Samvardhana Motherson Nippisun Technology Ltd.	March 31, 2016	4,455,000	45	49.50%	As per Joint Venture Agreement				
4	Ningbo SMR Huaxiang Automotive Mirrors Co. Limited	March 31, 2016	-	161	50%	As per Joint Venture Agreement		1,126	591	
5	Chongqing SMR Huaxiang Automotive Products Limited	March 31, 2016	-	101	50%	As per Joint Venture Agreement		222	4	
6	Celulosa Fabril (Cefa) S.A. (Zaragoza, ES)	December 31, 2015	6,200	12	50%	As per Joint Venture Agreement		1,606	479	
7	Modulos Rivera Alta S.L.U.	December 31, 2015	100,155	2	50%	As per Joint Venture Agreement		851	602	
8	Eissmann SMP Automotive interieur Slovakia s.r.o.	December 31, 2015	1,947	2	49%	As per Joint Venture Agreement		466	60	
9	Saks Ancillaries Limited	March 31, 2016	1,000,000	34	40.01%	Note 1		29	(2)	
10	Re-time Pty Limited	June 30, 2015	350	20	34%	Note 1		10	(2)	

Note:

- The company has power to participate in the financial and the operating policy decision but does not have control or joint control over those policies.
- Investment in joint venture entities Woco Motherson Elastomer Limited, Woco Motherson Advanced Rubber Technologies Limited and Woco Motherson Limited (FZC) has been sold during the year.

Notes

