Placement Document
Not for Circulation
Serial Number: _____
Strictly Confidential

MOTHERSON SUMI SYSTEMS LIMITED

*Motherson Sumi Systems Limited (our "**Company**") was incorporated pursuant to a certificate of incorporation dated December 19, 1986 issued by the Registrar of Companies, at Delhi & Haryana, as a private limited company under the provisions of the Companies Act, 1956, as amended, and subsequently converted into a public limited company pursuant to a fresh certificate of incorporation issued by the Registrar of Companies, at Delhi & Haryana on April 29, 1987. For further details with respect to change of name, please see section "**General Information**"on page 220 of this Placement Document.*

Registered Office: Unit 705, C Wing, One BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400051, Maharashtra, India
Corporate Office: Plot No. 1, Sector 127, Noida – 201 301, Uttar Pradesh, India
CIN: L34300MH1986PLC284510;
Telephone No.: +91 120 6752 100; **Facsimile No.**: +91 120 2521 866; **Email**: investorrelations@motherson.com; **Website**: http://www.motherson.com.

Our Company is issuing 62,884,827 Equity Shares (as defined below) at a price of ₹ 317 per Equity Share (the "**Issue Price**"), including a premium of ₹ 316 per Equity Share, aggregating up to ₹ 19,935 million (the "**Issue**"). To ensure that the shareholding of Sumitomo Wiring Systems Limited ("**SWS**") in our Company is maintained at above 25%, our Company has issued 17,762,460 Equity Shares to SWS, one of our promoters, on September 12, 2016, through a preferential issue as permitted under Chapter VII of the SEBI ICDR Regulations and other applicable laws ("**Preferential Issue to SWS**"). The Preferential Issue to SWS has been approved by our shareholders' resolution passed at the AGM dated August 31, 2016.

ISSUE IN RELIANCE UPON CHAPTER VIII OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE "SEBI ICDR REGULATIONS"), AND SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED AND THE RULES MADE THEREUNDER

The total number of issued and paid-up equity shares of our Company of face value of ₹ 1 each is 1,340,641,500 ("**Equity Shares**"), out of which 1,322,744,149 Equity Shares are currently listed on the BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**", together with the BSE, the "**Stock Exchanges**"). The closing price of the outstanding Equity Shares on the BSE and the NSE on August 31, 2016 was ₹ 322.55 and ₹ 322.55 per Equity Share, respectively. In-principle approvals under Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for listing of the Equity Shares have been received from the BSE and the NSE on September 8, 2016 and September 8, 2016, respectively. Applications have been made for obtaining the listing and trading approvals for the Equity Shares to be issued pursuant to the Issue on the Stock Exchanges. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to be issued pursuant to the Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or of the Equity Shares.

OUR COMPANY HAS PREPARED THIS PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE.

A copy of the Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereinafter) has been delivered to the Stock Exchanges. A copy of this Placement Document (which includes disclosures prescribed under Form PAS-4) will also be delivered to the Stock Exchanges. Our Company has also made the requisite filings with the Registrar of Companies, at Mumbai, Maharashtra ("**RoC**") and the Securities and Exchange Board of India ("**SEBI**"), each within the stipulated period as required under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014. This Placement Document has not been reviewed by SEBI, the Reserve Bank of India ("**RBI**"), the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs (as defined below). This Placement Document has not been and will not be registered as a prospectus with the RoC, will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

THE ISSUE AND THE DISTRIBUTION OF THIS PLACEMENT DOCUMENT IS BEING MADE TO ELIGIBLE QIBs (AS DEFINED BELOW), IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT 2013 AND THE RULES MADE THEREUNDER AND CHAPTER VIII OF THE SEBI ICDR REGULATIONS. THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND ONLY QUALIFIED INSTITUTIONAL BUYERS, AS DEFINED IN REGULATION 2(1)(zd) OF THE SEBI ICDR REGULATIONS ("QIBs") WHICH ARE NOT: (A) EXCLUDED PURSUANT TO REGULATION 86 OF THE SEBI ICDR REGULATIONS; AND (B) RESTRICTED FROM PARTICIPATING IN THE ISSUE UNDER THE SEBI ICDR REGULATIONS AND OTHER APPLICABLE LAWS, ARE ELIGIBLE TO INVEST IN THIS ISSUE.

YOU MAY NOT AND ARE NOT AUTHORISED TO (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENT OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THE SECTION "RISK FACTORS" ON PAGE 40 OF THIS PLACEMENT DOCUMENT BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THIS PLACEMENT DOCUMENT.

This Placement Document (which includes disclosures prescribed under Form PAS-4) will be circulated only to such Eligible QIBs whose names are recorded by our Company prior to making an invitation to subscribe to the Equity Shares.

Invitations, offers and sales of Equity Shares to be issued pursuant to the Issue shall only be made pursuant to this Placement Document together with the Application Form and this Placement Document and the Confirmation of Allotment Note. For further details, please see section "***Issue Procedure***" on page 174 of this Placement Document. The distribution of this Placement Document or the disclosure of its contents without our Company's prior consent to any person, other than Eligible QIBs and persons retained by Eligible QIBs to advise them with respect to their purchase of Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Placement Document or any documents referred to in this Placement Document.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended, (the "**Securities Act**"), and subject to certain exceptions, may not be offered or sold within the United States (as defined in Regulation S under the Securities Act ("**Regulation S**")) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Equity Shares are being offered and sold (1) in the United States to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) pursuant to Section 4(a)(2) of the Securities Act and (2) outside the United States in reliance on Regulation S. See the sections titled "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 187 and 193, respectively.

The information on our Company's website or any website directly or indirectly linked to our Company's website or the websites of the Book Running Lead Managers or any of their respective affiliates, does not constitute nor form part of this Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites.

BOOK RUNNING LEAD MANAGERS				
JM Financial Institutional Securities Limited	**UBS Securities India Private Limited**	**ICICI Securities Limited**	**IDFC Bank Limited**	**IIFL Holdings Limited***

* *In compliance with the proviso to Regulation 21A(1) of the SEBI Merchant Bankers Regulations, 1992, as amended (Merchant Bankers Regulations), IIFL Holdings Limited will be involved only in the marketing of the Issue.*

This Placement Document is dated September 13, 2016.

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Placement Document and confirms that to its best knowledge and belief, having made all reasonable enquiries, this Placement Document contains all information with respect to our Company, its Subsidiaries, Associates and Joint Ventures (collectively, the "**Group**") and the Equity Shares that is material in the context of the Issue. The statements contained in this Placement Document relating to the Group and the Equity Shares are, in all material respects, true and accurate and not misleading, and the opinions and intentions expressed in this Placement Document with regard to the Group and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to the Group. There are no other facts in relation to the Group and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements.

The Book Running Lead Managers have not separately verified all of the information contained in this Placement Document (financial, legal or otherwise). Accordingly, neither the Book Running Lead Managers nor any of their respective shareholders, employees, counsel, officers, directors, representatives, agents or affiliates makes any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by any of the Book Running Lead Managers or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents or affiliates as to the accuracy or completeness of the information contained in this Placement Document or any other information supplied in connection with the Group and the Equity Shares. Each person receiving this Placement Document acknowledges that such person has not relied on either the Book Running Lead Managers or on any of their respective shareholders, employees, counsel, officers, directors, representatives, agents or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of the Group and the merits and risks involved in investing in the Equity Shares.

No person is authorised to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Company or by or on behalf of the Book Running Lead Managers. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares to be issued pursuant to the Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Placement Document. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in other jurisdictions.

The Equity Shares have not been recommended by any foreign, federal or state securities commission or regulatory authority. Further, the Equity Shares have not been and will not be registered under the Securities Act, and subject to certain exceptions, may not be offered or sold within the United States (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Equity Shares are being offered and sold (1) in the United States to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) pursuant to Section 4(a)(2) of the Securities Act and (2) outside the United States in reliance on Regulation S. See the sections titled "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 187 and 193, respectively. The Equity Shares are transferable only in accordance with the restrictions described in "***Selling Restriction***" and "***Transfer Restrictions***" on pages 187 and 193, respectively, of this Placement Document. Purchaser of the Equity Shares will be deemed to make the representations, warranties, acknowledgments and agreements set forth in the sections "***Representations by Investors***" and "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 4, 187 and 193, respectively of this Placement Document.

The distribution of this Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe to the Issue (in consultation with the Book Running Lead Managers or their representatives), and those retained by Eligible QIBs to advise them with respect to their purchase of the Equity Shares is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to not make copies of this Placement Document or any documents referred to in this Placement Document.

The distribution of this Placement Document and the issue of the Equity Shares may be restricted in certain jurisdictions by law. As such, this Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by our Company and the Book Running Lead Managers which would permit an offering of the Equity Shares or distribution of this Placement Document in any jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

In making an investment decision, prospective investors must rely on their own examination of the Group and the terms of the Issue, including the merits and risks involved. Investors should not construe the contents of this Placement Document as legal, business, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning the Issue. In addition, neither our Company nor the Book Running Lead Managers are making any representation to any offeree or subscriber of the Equity Shares regarding the legality of an investment in the Equity Shares by such offeree or subscriber under applicable legal, investment or similar laws or regulations.

Each subscriber of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is eligible to invest in India and in our Company under Indian law, including Chapter VIII of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013, and that it is not prohibited by SEBI or any other statutory authority from buying, selling or dealing in the securities including the Equity Shares. Each Eligible QIB subscribing to the Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to the Group and the Equity Shares.

This Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such documents.

The information on our Company's website, http://www.motherson.com or any website directly and indirectly linked to the website of our Company or on the website of the Book Running Lead Managers or their respective affiliates, does not constitute nor form part of this Placement Document. Prospective investors should not rely on such information contained in, or available through, any such websites.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

For information for investors in certain other jurisdictions, please see sections "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 187 and 193 of this Placement Document, respectively.

REPRESENTATIONS BY INVESTORS

References herein to "you" or "your" is to the prospective investors in the Issue.

By Bidding for and subscribing to any Equity Shares in the Issue, you are deemed to have represented, warranted, acknowledged and agreed to our Company and the Book Running Lead Managers, as follows:

- You are a QIB as defined in Regulation 2(1)(zd) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 86(1)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allocated to you in accordance with Chapter VIII of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, the Companies Act and all other applicable laws, including any reporting obligations;

- if you are not a resident of India, you are an Eligible FPI (as defined hereinafter), including a FII (including a sub-account other than a sub-account which is a foreign corporate or a foreign individual), and have a valid and existing registration with the SEBI under the applicable laws in India and you agree that you will participate in this Issue through the Portfolio Investment Scheme or the Foreign Portfolio Investment Scheme, as applicable. You confirm that you are not an FVCI or a foreign multilateral and bilateral development financial institution;

- If you are Allotted any Equity Shares in the Issue, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so Allotted except on the floor of the Stock Exchanges. Additional restrictions apply if you are within the United States. Please see the section "***Transfer Restrictions***";

- You have made, or are deemed to have made, as applicable, the representations set forth under sections "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 187 and 193 of this Placement Document, respectively;

- You are aware that the Equity Shares have not been and will not be registered through a prospectus under the Companies Act (as defined hereinafter), the SEBI ICDR Regulations or under any other law in force in India. This Placement Document (which includes disclosures prescribed under Form PAS-4) has not been reviewed or affirmed by the RBI, SEBI, the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs and that this Placement Document will not be registered as a prospectus under the Companies Act;

- You are entitled to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions that apply to you and that you have fully observed such laws and you have the necessary capacity, have obtained all necessary consents, governmental or otherwise, and authorisations and complied with all necessary formalities, to enable you to commit to participation in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Placement Document), and will honour such obligations;

- Neither our Company nor any of the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates are making any recommendations to you or advising you regarding the suitability of any transactions you may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment, be a client of any of the Book Running Lead Managers. Neither the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates have any duties or responsibilities to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not in any way acting in any fiduciary capacity;

- You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents (the "**Company Presentations**") with regard to our Company or the Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the Book Running Lead Managers may not have knowledge of the statements that our Company or its agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the Book Running Lead Managers have advised you not to rely in any way on any information that was provided to you at such Company Presentations, and (b) confirm that, you have not been provided any material information relating to our Company and the Issue that was not publicly available;

- All statements other than statements of historical fact included in this Placement Document, including, without limitation, those regarding our Company's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our Company's business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our Company's present and future business strategies and the environment in which our Company shall operate in the future. You should not place undue reliance on forward-looking statements, which speak only as at the date of this Placement Document. Our Company assumes no responsibility to update any of the forward-looking statements contained in this Placement Document;

- You are aware and understand that the Equity Shares are being offered only to Eligible QIBs and are not being offered to the general public, and the Allotment basis shall be made at the discretion of our Company and the Book Running Lead Managers;

- You are aware that the pre-Issue and post-Issue shareholding pattern of our Company in the format prescribed in the SEBI Listing Regulations will be filed by our Company with the Stock Exchanges, and if you are Allotted more than 5% of the Equity Shares in the Issue, our Company shall be required to disclose your name and the number of the Equity Shares Allotted to you to the Stock Exchanges and the Stock Exchanges will make the same available on their websites and you consent to such disclosures;

- You have been provided a serially numbered copy of this Placement Document and have read it in its entirety, including in particular, the section "***Risk Factors***" on page 40 of this Placement Document;

- In making your investment decision, you have (i) relied on your own examination of our Company, its subsidiaries, its joint ventures and associates and the terms of the Issue, including the merits and risks involved, (ii) made your own assessment of our Company, its subsidiaries, its joint ventures and associates, the Equity Shares and the terms of the Issue based solely on the information contained in this Placement Document and no other disclosure or representation by our Company, its Directors, promoters and affiliates or any other party, (iii) consulted your own independent counsel and advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws, (iv) relied solely on the information contained in this Placement Document and no other disclosure or representation by our Company or any other party, (v) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company and the Equity Shares, and (vi) relied upon your own investigation and resources in deciding to invest in the Issue;

- Neither the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates when evaluating the tax consequences in relation to the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You waive, and agree not to assert any claim against our Company or the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

- You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions. You and any accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of your investment in the Equity Shares, (ii) will not look to our Company and/or the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its obligations or any breach of any representations and warranties by our Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, and (iv) have no need for liquidity with respect to the investment in the Equity Shares and (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares. You acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. You are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute;

- If you are acquiring the Equity Shares to be issued pursuant to the Issue for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and to make (and you hereby make) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;

- You are not a 'promoter' (as defined under the SEBI ICDR Regulations) of our Company or any of its affiliates and are not a person related to the promoter, either directly or indirectly and your Bid does not directly or indirectly represent the 'promoter', or 'promoter group', (as defined under the SEBI ICDR Regulations) of our Company or persons related to the promoters;

- You agree that in terms of Section 42(7) of the Companies Act, 2013 and Rule 14(3) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, our Company shall file the list of Eligible QIBs (to whom the Preliminary Placement Document has been circulated) along with other particulars with the RoC and SEBI within 30 days of circulation of the Preliminary Placement Document and other filings required under the Companies Act, 2013 in connection with the Issue;

- You are aware that our Company shall make necessary filings with the RoC pursuant to the Allotment (which shall include certain details such as your name, address and number of Equity Shares Allotted) and if the Allotment of Equity Shares in the Issue results in you being one of the top ten shareholders of our Company, we shall also be required to disclose your name and shareholding details to the RoC within 15 days of Allotment, and you consent to such disclosure being made by us, under Section 93 of the Companies Act, 2013;

- You have no rights under a shareholders' agreement or voting agreement with the promoters or persons related to the promoters, no veto rights or right to appoint any nominee director on the Board of Directors other than the rights acquired, if any, in the capacity of a lender not holding any Equity Shares which shall not be deemed to be a person related to the promoters;

- You will have no right to withdraw your Bid after the Bid/Issue Closing Date (as defined hereinafter);

- You are eligible to apply for and hold the Equity Shares Allotted to you together with any Equity Shares held by you prior to the Issue. Further, you confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable regulation;

- The Bid made by you would not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended ("**Takeover Regulations**");

  The number of Equity Shares Allotted to you pursuant to the Issue, together with other Allottees that belong to the same group or are under common control shall not exceed 50% of the Issue.

- You shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approvals for such Equity Shares are issued by the Stock Exchanges;

- You are aware that (i) applications for in-principle approval, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, for listing and admission of the Equity Shares and for trading on the Stock Exchanges, were made and approval has been received from each of the Stock Exchanges, and (ii) the applications for the final listing and trading approvals will be made only after Allotment. There can be no assurance that the final approvals for listing and trading in the Equity Shares will be obtained in time or at all. Our Company shall not be responsible for any delay or non-receipt of such final approvals or any loss arising from such delay or non-receipt;

- You are aware and understand that the Book Running Lead Managers have entered into a Placement Agreement with our Company whereby the Book Running Lead Managers have severally and not jointly, subject to the satisfaction of certain conditions set out therein, agreed to manage the Issue and use their reasonable efforts as placement agents of our Company to procure subscriptions for the Equity Shares on the terms and conditions set forth therein;

- The contents of this Placement Document are exclusively the responsibility of our Company, and neither the Book Running Lead Managers nor any person acting on their behalf has or shall have any liability for any information, representation or statement contained in this Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Placement Document or otherwise. By accepting a participating in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the Book Running Lead Managers or our Company or any of their respective affiliates or any other person, and neither the Book Running Lead Managers nor our Company nor any other person will be liable for your decision to participate in the Issue based on any other information, representation, warranty or statement that you may have obtained or received;

- You understand that the Book Running Lead Managers do not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including the non-performance by our Company or any of our respective obligations or any breach of any representations or warranties by us, whether to you or otherwise;

- You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in "Transfer Restrictions" and you warrant that you will comply with those restrictions;

- You understand that the Group has not been and will not be registered under the Investment Company Act and you will not be entitled to the benefits of the Investment Company Act;

- You are eligible to invest in India under applicable law, including the FEMA 20, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling or dealing in securities;

- You understand that the Equity Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and accordingly, may not be offered or sold, within the United States, except in reliance on an exemption from the registration requirements of the Securities Act;

- You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Mumbai, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Preliminary Placement Document and this Placement Document;

- Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares issued pursuant to the Issue;

- You agree to indemnify and hold our Company and the Book Running Lead Managers and their respective directors, officers, affiliates, associates and representatives harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements and undertakings made by you in this Placement Document. You agree that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

- Our Company, the Book Running Lead Managers, their respective affiliates and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, given by you to the Book Running Lead Managers on their own behalf and on behalf of our Company, which are irrevocable. It is agreed that if any of such representations, warranties, acknowledgements and undertakings are no longer accurate, you will prompty notify our Company and the Book Running Lead Managers; and

- You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws.

Offshore Derivative Instruments

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations (as defined below), FPIs (other than Category III foreign portfolio investors and unregulated broad based funds, which are classified as Category II FPI by virtue of their investment manager being appropriately regulated) may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying, and all such offshore derivative instruments are referred to herein as "**P-Notes**") directly or indirectly, for which they may receive compensation from the purchasers of such instruments. P-Notes may be issued only in favour of those entities which are regulated by any appropriate foreign regulatory authorities in the countries of their incorporation, and are issued in compliance with 'know your client' requirements. An FPI shall also ensure that no further issue or transfer of any instrument referred to above is made to any person other than such entities regulated by appropriate foreign regulatory authorities. P-Notes have not been and are not being offered or sold pursuant to this Placement Document. This Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-notes, including any information regarding any risk factors relating thereto.

Affiliates of the Book Running Lead Managers which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the Book Running Lead Managers do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the Book Running Lead Managers and does not constitute any obligations of or claims on the Book Running Lead Managers.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of the Preliminary Placement Document and this Placement Document have been submitted to each of the Stock Exchanges. The Stock Exchanges do not in any manner:

(1) warrant, certify or endorse the correctness or completeness of any of the contents of this Placement Document;

(2) warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges; or

(3) take any responsibility for the financial or other soundness of our Company, its promoters, its management or any scheme or project of our Company.

It should not for any reason be deemed or construed to mean that this Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquires any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against any of the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to 'you', 'your', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investors', 'prospective investors' and 'potential investor' are to the prospective investors in the Issue, references to the 'Company', 'Motherson Sumi Systems Limited', 'Issuer', 'we', 'us' or 'our' are to Motherson Sumi Systems Limited, its Subsidiaries, Associates and Joint Ventures.

Currency and Units of Presentation

In this Placement Document, references to "USD" or "US$" or "U.S. dollar" are to United States Dollars, the official currency of the United States of America.

All references herein to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. All references herein to "India" are to the Republic of India and its territories and possessions and all references herein to the 'Government' or 'GOI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable.

References to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable, and the words "lakh" or "lac" mean "100,000", and the word "million" means "10 lakh", and the word "crore" means "10 million" or "100 lakh" and the word "billion" means "1,000 million" or "100 crore".

Financial Data

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise, all references to a particular 'Fiscal Year' or 'fiscal' or "financial year" or 'FY' are to the 12 month period ended on March 31 of that year. Our consolidated Financial Statements and Condensed Interim Consolidated Financial Statements, each prepared in accordance with Indian GAAP, are included in this Placement Document in the section "***Financial Statements***" on page 222 of this Placement Document. Our unaudited consolidated and standalone financial results for the three months period ended June 30, 2016, prepared in accordance with Ind-AS, are included in this Placement Document in the section "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on page 80 of this Placement Document.

Our Company publishes its financial statements in Indian Rupees. The financial statements and Condensed Interim Consolidated Financial Statements of our Company included herein have been prepared in accordance with Indian GAAP consolidated, as applicable to companies in India. Unless the context otherwise requires, all financial data in this Placement Document are derived from our consolidated Financial Statements and Condensed Interim Consolidated Financial Statements. Indian GAAP differs in certain significant respects from International Financial Reporting Standards (the "**IFRS**") and U.S. GAAP. Our Company has not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Placement Document, nor do we provide a reconciliation of our financial statements, to those of U.S. GAAP or IFRS. See the section "***Summary of Significant Difference Between Indian GAAP, IFRS and Ind-AS***" on page 114 of this Placement Document. Accordingly, the degree to which the financial statements prepared in accordance with Indian GAAP, included in this Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with the respective accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited.

In this Placement Document, certain monetary thresholds have been subjected to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

INDUSTRY AND MARKET DATA

Information included in this Placement Document regarding market position, growth rates and other industry data pertaining to our businesses consists of estimates based on data reports compiled by government bodies, professional organisations and analysts, data from other external sources and knowledge of the markets in which our Company operates. Unless stated otherwise, statistical information included in this Placement Document pertaining to the various sectors in which our Company operates has been reproduced from trade, industry and government publications and websites. We confirm that such information and data has been accurately reproduced, and that as far as our Company is aware and is able to ascertain from information published by third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading.

In this context, please note that we have relied on reports on automotive industry and the economy, namely, International Monetary Fund, World Economic Outlook, April 2016; LMC Automotive; CRISIL Database – Economy Section, Cars & Utility Vehicle, and Auto Component; and Monthly Economic Reports, Ministry of Finance.

This information is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organisations) to validate market-related analysis and estimates, so our Company has relied on internally developed estimates.

Neither our Company nor the Book Running Lead Managers have independently verified this data, nor does our Company or the Book Running Lead Managers make any representation regarding the accuracy of such data. Similarly, while our Company believes its internal estimates to be reasonable, such estimates have not been verified by any independent sources, and neither our Company nor the Book Running Lead Managers can assure potential investors as to their accuracy.

The extent to which the market and industry data used in this Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'would', 'will likely result' 'is likely', 'are likely', 'believe', 'expect', 'expected to', 'will continue', 'will achieve', or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements and any other projections include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Placement Document that are not historical facts. These forward-looking statements contained in this Placement Document (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause the actual results, performances and achievements of our Company to be materially different from any of the forward-looking statements include, among others:

- adverse effect of competition on market share and profits of our Company;
- changes in technology;
- central and state government policy in the sectors in which we operate;
- our ability to manage our growth effectively;
- volatility in the cost and availability of raw materials;
- changes in general, political, social and economic conditions in India and elsewhere;
- difficult condition in the global capital market and the economy generally;
- our ability to control cost and retain senior management personnel;
- potential mergers, acquisitions or restructurings;
- slowdown in economic growth in India or the other countries in which we operate; and
- other factors discussed in this Placement Document, including "*Risk Factors*".

Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed under the sections "***Risk Factors***", "***Management's Discussion and Analysis of Financial Condition and Results of Operations***", "***Industry Overview***" and "***Business***" and on pages 40, 80, 128 and 143 of this Placement Document, respectively.

By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward looking statements or other projections. The forward-looking statements contained in this Placement Document are based on the beliefs of the management, as well as the assumptions made by, and information currently available to, the management of our Company. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Placement Document or the respective dates indicated in this Placement Document, and neither our Company nor the Book Running Lead Managers undertakes any obligation to update or revise any of them, whether as a result of new information, future events or otherwise, changes in assumptions or changes in factors affecting these forward looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a public company with limited liability incorporated under the laws of India. Except for, Mr. Vivek Chaand Sehgal, Mr. Laksh Vaaman Sehgal, Mr. Toshimi Shirakawa and Ms. Noriyo Nakamura all the Directors and key managerial personnel of our Company named herein are residents of India. Mr. Vivek Chaand Sehgal and Mr. Laksh Vaaman Sehgal are citizens of the Commonwealth of Australia and Mr. Toshimi Shirakawa and Ms. Noriyo Nakamura are citizens of Japan. As a result, it may be difficult or may not be possible for investors outside India to effect service of process upon our Company or such persons in India, or to enforce judgments obtained against such parties outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Civil Procedure Code (as defined below), on a statutory basis. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. However, Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Each of the United Kingdom, Republic of Singapore and Hong Kong (among others) are some of the countries that have been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy of India. Further, any judgment or award in a foreign currency would be converted into Rupees at the applicable foreign exchange rate on the date of such judgment or award becomes enforceable and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax in accordance with applicable laws. Further, any judgment or award in foreign currency would be converted with Rupees on the date of such judgement or award and not on the date of payment. Our Company cannot predict whether a suit brought in an Indian court will be disposed off in a timely manner or be subject to considerable delays.

EXCHANGE RATES INFORMATION

Fluctuations in the exchange rate between the Rupee and the foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares traded on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information, for the period indicated with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹ per US$), for the periods indicated. The exchange rates are based on the reference rates released by the RBI, which are available on the website of the RBI. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

As of August 31, 2016, the exchange rate (RBI reference rate) was ₹66.98 to US$ 1.00.

(₹ per US$)

	Period end	**Average[(1)]**	**High[(2)]**	**Low[(3)]**
Fiscal Year:				
2014	31-03-2014	60.4962	68.3611	53.7355
2015	31-03-2015	61.1471	63.7498	58.4260
2016	31-03-2016	65.4611	68.7775	62.1580
Quarter ended September 2015	30-09-2015	64.9112	66.7445	63.3749
Quarter ended December 2015	31-12-2015	65.9284	67.0435	64.7260
Quarter ended March 2016	31-12-2016	67.5039	68.7775	66.1780
Month ended:				
August 2016	31-08-2016	66.9329	67.1940	66.7407
July 2016	31-07-2016	67.2076	67.4972	66.9136
June 2016	30-06-2016	67.2969	68.0144	66.6250
May 2016	31-05-2016	66.9067	67.7060	66.2698
April 2016	30-04-2016	66.4695	66.7330	66.2406

(Source: www.rbi.org.in)

Notes:

1. *Average of the official rate for each working day of the relevant period.*
2. *Maximum of the official rate for each working day of the relevant period.*
3. *Minimum of the official rate for each working day of the relevant period.*

DEFINITIONS AND ABBREVIATIONS

Our Company has prepared this Placement Document using certain definitions and abbreviations which you should consider when reading the information contained herein.

Company Related Terms

Term	Description
"Issuer", "we", "us", "our", "Motherson Sumi Systems Limited", "Company", "Our Company", "the Company", "MSSL"	Motherson Sumi Systems Limited, the Subsidiaries, Associates and Joint Ventures, as the context may require
Articles or Articles of Association	Articles of association of our Company, as amended from time to time
Auditors	Statutory auditors of our Company namely Price Waterhouse Chartered Accountants LLP.
Board of Directors or Board	The board of directors of our Company or any duly constituted committee thereof
Compliance Officer	The compliance officer of our Company
Condensed Interim Consolidated Financial Statements	The unaudited condensed interim consolidated financial statements for the three months period ended June 30, 2016 under Indian GAAP.
Corporate Office	The corporate office of our Company is located at Plot No. 1, Sector 127, Noida – 201 301, Uttar Pradesh, India
Director(s)	The directors of our Company presently on our Board
Executive Director(s)	The executive directors of our Company
Equity Share(s)	The equity shares of our Company having a face value of ₹ 1 each
Financial Statements	The financial statements as of and for the years ended March 31, 2016, 2015, and 2014 as included in this Placement Document
Memorandum or Memorandum of Association	Memorandum of association of our Company, as amended from time to time
Registered Office	The registered office of our Company is located at Unit 705, C Wing, ONE BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400051, Maharashtra, India
"RoC" or "Registrar of Companies"	Registrar of Companies, Mumbai, Maharashtra
Subsidiaries	1. MSSL Mauritius Holdings Ltd 2. Motherson Electrical Wires Lanka (Private) Limited 3. MSSL Mideast (FZE) 4. MSSL (S) Pte. Ltd. 5. MSSL Automobile Component Limited 6. Samvardhana Motherson Polymers Limited 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 Mexico, S.A. De C.V. 18. MSSL Australia Pty Ltd 19. MSSL Ireland Pvt. Ltd. 20. Global Environment Management (FZC) 21. Global Environment Management Australia Pty Ltd 22. Motherson Elastomers Pty Ltd 23. Motherson Investment Pty Ltd 24. MSSL Global RSA Module Engineering Limited 25. MSSL Japan Limited 26. Vacuform 2000 (Pty) Ltd 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. 32. MSSL Wiring System Inc.

Term	Description
	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 Limited 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 Limited 42. SMR Automotive Holding Hong Kong Limited 43. SMR Automotive Systems India Limited 44. SMR Automotive Systems France S.A. de C.V. 45. SMR Automotive Mirror Technology Holding Hungary Kft. 46. SMR Patents S.aR.L. 47. SMR Automotive Technology Valencia S.A. 48. SMR Automotive Mirrors UK Limited 49. SMR Automotive Mirror Services UK Limited 50. SMR Automotive Mirror International USA Inc. 51. SMR Automotive Systems USA Inc. 52. SMR Automotive (Beijing) Co., Ltd. 53. SMR Automotive Yancheng Co. Ltd. 54. SMR Automotive Mirror Systems Holding Deutschland GmbH 55. SMR Holding Australia Pty Ltd 56. SMR Automotive Australia Pty Ltd 57. SMR Automotive Mirror Technology Hungary Bt. 58. SMR Automotive Modules Korea Ltd. (South Korea) 59. SMR Automotive Beteiligungen Deutschland GmbH 60. SMR Hyosang Automotive Ltd. 61. SMR Automotive Mirrors Stuttgart GmbH 62. SMR Automotive Systems Spain S.A. 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 Systems (Thailand) Ltd. 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 Mirrors 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. 79. Foshan Peguform Automotive Plastics Technology Co., Ltd. 80. SMP Automotive Technology Management Services (Changchun) Co. Ltd. 81. SMP Automotive Technology Iberica SL 82. Samvardhana Motherson Peguform Barcelona S.L.U 83. SMP Automotive Technologies Teruel SL 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 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. SMP Automotive Systems Alabama INC. 93. Motherson Innovations Company Limited 94. Motherson Innovations Deutschland GmbH 95. Samvardhana Motherson Global (FZE)

Term	Description
	96. MSSL Manufacturing Hungary Kft.

Issue Related Terms

Term	Description
Allocated/ Allocation	The allocation of Equity Shares following the determination of the Issue Price to Eligible QIBs on the basis of the Application Form submitted by them, by our Company in consultation with the Book Running Lead Managers and in compliance with Chapter VIII of the SEBI ICDR Regulations
Allot/ Allotment/ Allotted	Unless the context otherwise requires, the issue and allotment of Equity Shares to be issued pursuant to the Issue
Allottees	Eligible QIBs to whom Equity Shares are issued and Allotted pursuant to the Issue
Application Form	The form (including any revisions thereof) pursuant to which an Eligible QIB shall submit a Bid for the Equity Shares in the Issue
Bid(s)	Indication of interest of a Eligible QIB, including all revisions and modifications thereto, as provided in the Application Form, to subscribe for the Equity Shares pursuant to the Issue. The term "Bidding" shall be construed accordingly
Bid/Issue Closing Date	September 13, 2016, which is the last date up to which the Application Forms shall be accepted
Bid/Issue Opening Date	September 8, 2016
Bid/Issue Period	Period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids including any revision and/ or modification thereof
Bidder	Any prospective investor, an Eligible QIB, who makes a Bid pursuant to the terms of the Preliminary Placement Document and the Application Form
"Book Running Lead Managers" or "Lead Managers" "BRLMs"	Book Running Lead Managers to the Issue, namely JM Financial Institutional Securities Limited, UBS Securities India Private Limited, ICICI Securities Limited, IDFC Bank Limited and IIFL Holdings Limited*. ** In compliance with the proviso to Regulation 21A(1) of the SEBI Merchant Bankers Regulations, 1992, as amended (Merchant Bankers Regulations), IIFL Holdings Limited will be involved only in the marketing of the Issue*
CAN or Confirmation of Allocation Note	Note or advice to Eligible QIBs confirming Allocation of Equity Shares to such Eligible QIBs after determination of the Issue Price and requesting payment for the entire applicable Issue Price for all Equity Shares Allocated to such Eligible QIBs
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, *i.e.*, on or about September 16, 2016
Cut-off Price	The Issue Price of the Equity Shares to be issued pursuant to the Issue which shall be finalised by our Company in consultation with the Book Running Lead Managers
Designated Date	The date of credit of Equity Shares, pursuant to the Issue, to the Eligible QIB's demat account, as applicable to the respective Eligible QIBs
Eligible FPI	FPIs that are eligible to participate in this Issue and does not include Category III FPIs who are not allowed to participate in the Issue
Eligible QIBs	QIBs, as defined in regulation 2(1)(zd) of the SEBI ICDR Regulations which are not, (a) excluded pursuant to regulation 86 of the SEBI ICDR Regulations, and (b) restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws. Only QIBs which are FIIs and Eligible FPIs are permitted to participate in the Issue. FVCIs, foreign multilateral and bilateral development financial institutions and any other non-resident investors are not permitted to participate in the Issue
Escrow Agent	ICICI Bank Limited
Escrow Account	The account entitled "MOTHERSON SUMI SYSTEMS LIMITED – ESCROW ACCOUNT" with regard to any money received towards the subscription of the Equity Shares, opened with the Escrow Agent, subject to the terms of the Escrow Agreement
Escrow Agreement	Agreement dated September 8, 2016, entered into amongst our Company, the Escrow Agent and the Book Running Lead Managers for collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders
Floor Price	The floor price of ₹ 326.10, which has been calculated in accordance with Chapter VIII of the SEBI ICDR Regulations. In terms of the SEBI ICDR

Term	Description
	Regulations, the Issue Price cannot be lower than the Floor Price. Our Company has decided to offer a discount of 2.79% on the Floor Price in terms of Regulation 85 of the SEBI ICDR Regulations
Issue	The offer, issue and Allotment of 62,884,827 Equity Shares to Eligible QIBs pursuant to Chapter VIII of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013
Issue Price	₹ 317 per Equity Share
Issue Size	The issue of 62,884,827 Equity Shares aggregating up to ₹ 19,935 million
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended
Pay-in Date	The last date specified in the CAN for payment of application monies by the Eligible QIBs
Placement Agreement	Agreement dated September 8, 2016 entered into amongst our Company and the Book Running Lead Managers
Placement Document	This placement document issued by our Company in accordance with Chapter VIII of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013
Preferential Issue to SWS	To ensure that the shareholding of SWS in our Company is maintained at above 25%, our Company has issued 17,762,460 Equity Shares to SWS, one of our promoters, on September 12, 2016, through a preferential issue as permitted under Chapter VII of the SEBI ICDR Regulations and other applicable laws. The Preferential Issue to SWS has been approved by our shareholders' resolution passed at the AGM dated August 31, 2016.
Preliminary Placement Document	The preliminary placement document dated September 8, 2016 issued in accordance with Chapter VIII of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013
Pricing Date	Has the meaning ascribed to the term in the Placement Agreement
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations or such other persons as maybe permitted by applicable laws to acquire the Equity Shares to be issued pursuant to the Issue
QIP	Qualified institutions placement, being private placement to Eligible QIBs under Chapter VIII of the SEBI ICDR Regulations and applicable sections of the Companies Act
Relevant Date	September 8, 2016, which is the date of the meeting of the Board, or any committee duly authorised by the Board, deciding to open the Issue

Industry Related Terms

Term	Description
~	Approximately
3D	Three dimensional
APAC	Asia – Pacific region
Apps	Applications
B2B	Business-to-business
eCommerce	Electronic commerce
EMEA	Europe, Middle East and Africa
M&As	Mergers and acquisitions
OEM	Original Equipment Manufacturers
IP	Intellectual property
IT	Information technology

Conventional and General Terms/Abbreviations

Term	Description
AGM	Annual general meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
AOP	Association of persons
AS	Accounting Standards issued by ICAI, as required under Companies Act
AY	Assessment year
BSE	BSE Limited
Calendar Year	Year ending on December 31
Category III Foreign Portfolio Investor	An FPI registered as a category III foreign portfolio investor under the SEBI

Term	Description
	FPI Regulations
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
CEO	Chief executive officer
CFO	Chief financial officer
CII	Confederation of Indian Industry
CIN	Corporate identity number
CSR	Corporate social responsibility
Civil Procedure Code	The Code of Civil Procedure, 1908, as amended
Companies Act	The Companies Act, 1956 or the Companies Act, 2013, as applicable
Companies Act, 1956	The Companies Act, 1956 and the rules made thereunder (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections)
Companies Act, 2013	The Companies Act, 2013 and the rules made thereunder, to the extent in force pursuant to notification of the Notified Sections
Competition Act	The Competition Act, 2002, as amended
DIN	Director identification number
Depositories Act	The Depositories Act, 1996, as amended
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996, as amended
Depository Participant	A depository participant as defined under the Depositories Act
EBITDA	Earnings before interest, tax, depreciation and amortisation
ECB	External commercial borrowing
ECS	Electronic clearing service
EGM	Extraordinary general meeting
EPS	Earnings per share
FCCB	Foreign currency convertible bonds
FCNR(B)	Foreign currency non-resident (bank)
FDI	Foreign direct investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified under Circular No. 1 of 2016, effective from June 07, 2016, as amended from time to time
FEDAI	Foreign Exchange Dealers' Association of India
FEMA	The Foreign Exchange Management Act, 1999, as amended, and the regulations issued thereunder
FEMA 20	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended
FICCI	Federation of Indian Chambers of Commerce and Industry
FIIs	Foreign institutional investors as defined under the SEBI FPI Regulations and registered as such with SEBI
"Financial year" or "Fiscal Year" or "FY" or "Fiscal"	Period of 12 months commencing on April 1 of each calendar year and ending on March 31 of the following calendar year, unless otherwise stated
FIPB	Foreign Investment Promotion Board of the Ministry of Finance, Government of India
Form PAS-4	Form PAS-4 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014
FPI	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations. Any foreign institutional investor or qualified foreign investor who holds a valid certificate of registration is deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
FRA/IRS	Forward rate agreements/interest rate swaps
FVCI	Foreign venture capital investors as defined and registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
GAAP	Generally accepted accounting principles
GAAR	General Anti-Avoidance Rules
GDP	Gross domestic product
GIR	General index registrar
GoI/Government	Government of India, unless otherwise specified
GST	Goods and services tax; a proposed reform to Indian tax laws relating to indirect taxes on goods and services
HNIs	High net worth individuals

Term	Description
HR	Human resources
HUF	Hindu undivided family
ICAI	The Institute of Chartered Accountants of India
ICRA	ICRA Limited
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards issued by the International Accounting Standards Board
IMF	International Monetary Fund
Ind-AS/ IND-AS	Indian accounting standards converged with IFRS, as notified by the Ministry of Corporate Affairs vide Companies (Indian Accounting Standards) Rules, 2015 in its general statutory rules dated February 16, 2015, as amended
Indian Accounting Standard Rules	Companies (Indian Accounting Standards) Rules, 2015
Indian GAAP	Generally accepted accounting principles in India as prescribed under the Companies (Accounting Standard) Rules, 2006
IPO	Initial public offering
ISO	International Standards Organisation
IT	Information technology
IT Act	The Income Tax Act, 1961, as amended
MAT	Minimum alternate tax
MCA	The Ministry of Corporate Affairs, Government of India
MIS	Management Information System
MNC	Multinational corporation
MoU	Memorandum of understanding
Mn/ million	Million
MSEs	Micro and small enterprises
NASSCOM	National Association of Software and Services Companies
NEFT	National electronic fund transfer
NGOs	Non-government organisations
Notified Sections	Sections of the Companies Act, 2013 that have been notified by the Government of India
NRE	Non-resident (external)
NRI	Non-resident Indian
NRO	Non-resident Ordinary
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
PAN	Permanent account number
PAT	Profit after tax
PBT	Profit before tax
PDAI	Primary Dealers Association of India
PLM Act	Prevention of Money Laundering Act, 2002, as amended
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended
Regulation S	Regulation S under the Securities Act
RoC	Registrar of Companies
₹/Rupees/INR	Indian Rupees
Rule 144A	Rule 144A under the Securities Act
SCR (SECC) Rules	Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, notified by the SEBI
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SEBI FII Regulations	The erstwhile Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, amended
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
SEBI Insider Trading Regulations, 2015	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Term	Description
SEC	United States Securities and Exchange Commission
Securities Act	The U.S. Securities Act of 1933, as amended
SENSEX	Index of 30 stocks traded on the BSE representing a sample of large and liquid listed companies
SEZ	Special economic zone
SICA	The Sick Industrial Companies Act, 1985, as amended
Stock Exchanges	BSE and NSE
STT	Securities transaction tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations 2011, as amended
U.S. $/U.S. dollar/ USD	United States Dollar, the legal currency of the United States of America
U.S. GAAP	Generally accepted accounting principles in the United States of America
US Holder	Has the meaning given to that term in "***Taxation – US Federal Income Taxation***" on page 214 of this Placement Document.
USA/U.S./United States	The United States of America
VCF	Venture capital fund
WOS	Wholly owned subsidiaries
WPI	Wholesale Price Index
WTO	World Trade Organisation

DISCLOSURE REQUIREMENTS UNDER FORM PAS-4 PRESCRIBED UNDER THE COMPANIES ACT, 2013

The table below sets out the disclosure requirements as provided in Form PAS-4 under the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the relevant pages in this Placement Document where these disclosures, to the extent applicable, have been provided.

Sr. No.	Disclosure Requirements	Relevant page of this Placement Document
1.	**GENERAL INFORMATION**	
a.	Name, address, website and other contact details of our company indicating both registered office and corporate office.	Cover page and 449
b.	Date of incorporation of our company.	Cover page
c.	Business carried on by our company and its subsidiaries with the details of branches or units, if any.	143-158
d.	Brief particulars of the management of our company.	163-170
e.	Names, addresses, DIN and occupations of the directors.	163-165
f.	Management's perception of risk factors.	40-69
g.	Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of:	
(i)	Statutory dues;	218
(ii)	Debentures and interest thereon;	218
(iii)	Deposits and interest thereon; and	218
(iv)	Loan from any bank or financial institution and interest thereon.	218
h.	Names, designation, address and phone number, email ID of the nodal/ compliance officer of our company, if any, for the private placement offer process.	220-221
2.	**PARTICULARS OF THE OFFER**	
a.	Date of passing of board resolution.	34
b.	Date of passing of resolution in the general meeting, authorising the offer of securities.	34
c.	Kinds of securities offered (i.e. whether share or debenture) and class of security.	34
d.	Price at which the security is being offered including the premium, if any, along with justification of the price.	Cover page and 34
e.	Name and address of the valuer who performed valuation of the security offered.	N.A.
f.	Amount which our company intends to raise by way of securities.	34
g.	Terms of raising of securities:	
(i)	Duration, if applicable;	N.A.
(ii)	Rate of dividend;	N.A.
(iii)	Rate of interest;	N.A.
(iv)	Mode of payment; and	N.A.
(v)	Repayment.	N.A.
h.	Proposed time schedule for which the offer letter is valid.	17
i.	Purposes and objects of the offer.	73
j.	Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects.	N.A.
k.	Principle terms of assets charged as security, if applicable.	N.A.
3.	**DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC**	
a.	Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons.	170
b.	Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the offer letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed.	217
c.	Remuneration of directors (during the current year and last three financial years).	166-167
d.	Related party transactions entered during the last three financial years immediately preceding the year of circulation of offer letter including with regard to loans made or, guarantees given or securities provided.	170
e.	Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of our company	219

Sr. No.	Disclosure Requirements	Relevant page of this Placement Document
	and the corrective steps taken and proposed to be taken by our company for each of the said reservations or qualifications or adverse remark.	
f.	Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of company and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for our company and all of its subsidiaries.	217-218
g.	Details of acts of material frauds committed against our company in the last three years, if any, and if so, the action taken by our company.	218
4.	**FINANCIAL POSITION OF OUR COMPANY**	
a.	The capital structure of our company in the following manner in a tabular form:	
(i)(a)	The authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value);	75-78
(b)	Size of the present offer; and	75-78
(c)	Paid up capital:	75-78
(A)	After the offer; and	75-78
(B)	After conversion of convertible instruments (if applicable);	N.A.
(d)	Share premium account (before and after the offer).	75-78
(ii)	The details of the existing share capital of the issuer company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration.	75-78
	Provided that the issuer company shall also disclose the number and price at which each of the allotments were made in the last one year preceding the date of the offer letter separately indicating the allotments made for considerations other than cash and the details of the consideration in each case.	N.A.
b.	Profits of our company, before and after making provision for tax, for the three financial years immediately preceding the date of circulation of offer letter.	37 and 222
c.	Dividends declared by our company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid).	79 and 100
d.	A summary of the financial position of our company as in the three audited balance sheets immediately preceding the date of circulation of offer letter.	37-39
e.	Audited Cash Flow Statement for the three years immediately preceding the date of circulation of offer letter.	222
f.	Any change in accounting policies during the last three years and their effect on the profits and the reserves of our company.	222
5.	**A DECLARATION BY THE DIRECTORS THAT**	448
a.	Our company has complied with the provisions of the Act and the rules made thereunder.	
b.	The compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government.	
c.	The monies received under the offer shall be used only for the purposes and objects indicated in the Offer letter.	
	I am authorised by the Board of Directors of our company vide resolution number ___________ dated ___________ to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form. *Signed:* *Date:* *Place:* *Attachments:-*	

Sr. No.	Disclosure Requirements	Relevant page of this Placement Document
	Copy of board resolution *Copy of shareholders resolution* *Copy of _____* *Optional attachments, if any*	

SUMMARY OF BUSINESS

Overview

Motherson Sumi Systems Limited ("**MSSL**") is the flagship company of Samvardhana Motherson Group ("**SMG**"). SMG is one of the leading suppliers to the global automotive industry. Established in 1975, SMG is a full systems solution provider with a diversified, industry-leading portfolio of auto ancillary products and services that focus principally on the automotive industry in India and outside of India. SMG recorded a gross revenue of U.S. $7.2 billion during Financial Year 2016.

As one of the globally-preferred partners by customers, SMG has a well-balanced customer base spread across five continents with more than 180 facilities and a global network of modern design centers in 25 countries across North America, South America, Europe, South Africa, Middle East, Asia Pacific and Australia.

SMG believes that its core competitive advantage is its ability to manufacture top quality products that cater to customer needs across various industries based on its innovative efforts and dedication to quality and customer service. SMG's diverse portfolio comprises electrical distribution system (wiring harness), rear view mirrors, polymer processing, injection molding tools, elastomer processing modules and systems, including cock pits and instrument panels, door trims, bumpers, lighting systems, air intake manifolds, pedal assemblies, heating, ventilation and air conditioning systems ("**HVAC systems**"), machined metal products, IT services, engineering and design, computer-aided engineering ("**CAD**") services, cabins for off-highway vehicles, environment management systems (waste recycling technology), cutting tools and thin film coating metals. Through joint venture agreements, SMG also has invested in technologies that provide manufacturing support, including compressors, paint coating equipment, auxiliary equipment for injection molding machines and automotive manufacturing engineering services.

MSSL was formed in 1986 as a joint venture between SMG and Sumitomo Wiring Systems ("**SWS"**). SWS, which is a wholly-owned subsidiary of Sumitomo Electric Industries Japan, is one of the leading suppliers of wiring harness, components and wires globally. Since its inception, we have evolved into a full systems solutions provider and cater to a diverse range of customers in automotive and other industries across the world, including non-automotive industry and consumer durables such as high-precision machine metal components and assemblies. Our diverse business portfolio comprises wiring harnesses, passenger car mirrors, polymers and elastomers in addition to our other products/business portfolio that includes plastic components and modules such as cockpits, bumpers and interior trim polymer, interior and exterior polymer modules, polymer components and tool manufacturing, elastomer processing and precision metal machining services.

Our core focus is customer service. We service our global customers by having our facilities in proximity to our customers in the region to supply our products and services. From our facilities, we provide our wide range of services including design, development, prototyping and validation across the entire development phase for the OEMs. As of the date of this Placement Document, we had presence in 25 countries from over 136 manufacturing facilities, supported by technical centers, sales offices, research and development centers across the world. We operate in some of the key foreign markets such as Germany, Spain, Hungary, the U.S., Mexico and Korea.

As of June 30, 2016, we have worked with 14 of the top 15 global OEMs (ranking by production volume according to LMC Automotive). In addition, we believe we currently hold one of the leading market shares in our key product segments namely rear view mirrors, instrument panels and door panels in our key geographies namely Europe, Americas and Asia Pacific, particularly in the premium segment (which includes brands such as Audi, BMW, Daimler, Lamborghini, Seat, Aston Martin and others), on which we are especially focused. Certain awards and recognitions that we have received include "Best Performance Award" in 2015 by Daimler, "Global Partner for Daimler" at the Daimler Supplier Award 2014, Toyota Regional Contribution Award, 2014, Volkswagen Group Supplier Award 2015, Ford South America Supplier of the Year Award in 2014, and recognized for its overall excellence, design and development, safety, respectively, from Maruti Suzuki in Financial Year 2015-2016. We were also selected as Volkswagen's "Future Automotive Supply Tracks (FAST)" program partner, which is Volkswagen's strategic partner program initiative that seeks to strengthen its relationship with its suppliers.

We operate our business through four key divisions:

<u>Wiring harness division</u>

Our wiring harness division is one of the market leaders in wiring harnesses for the passenger car segment in India and for the commercial and construction vehicle segment in India and abroad. We provide complete solutions-based services and products, from designs of basic vehicle schemes, development, prototyping, validation and manufacturing of wiring harnesses for passenger cars, commercial vehicles, two and three-wheelers, multi-utility vehicles, farm and material-handling equipment and off-road vehicles. We also manufacture specialized wiring harnesses for large electronic merchandises (white goods), office automation equipment, medical diagnostic equipment and other electrical equipment. Our wiring harness facilities are present across India, Mexico, Sri Lanka, UAE, Thailand, the U.S., the U.K., Japan, Italy, Germany and Korea. We also have a backward integration for manufacturing copper wires that are used to manufacture wiring harnesses, which enables us to ensure quality and have better control over logistics for timely delivery. For Financial Year 2016, our wiring harness division comprised 16% of our total gross sales of products.

Rearview Mirrors division

Our rearview mirrors division, which we operate through our subsidiary Samvardhana Motherson Reflectec ("**SMR**"), is one of the world's largest manufacturers of mirrors for passenger vehicles and manufacturers a wide range of interior and exterior rear view vision systems and related components including low cost mirrors to highly complex mirrors with various electronic features. Based on the global market assessment for such products which is available from LMC Automotive, we believe that we had a very significant market share of the global market for exterior mirrors and a significant share of the global market for interior rear view mirrors in Financial Year 2016. Based in Stuttgart, Germany, SMR operates 20 manufacturing facilities in 12 countries across Europe, Asia and the Americas. SMR business philosophy is continuous innovation in engineering and design and developing technologically advanced features that also enhance safety, comfort and aesthetics.

Our exterior rear view vision systems product line ranges from basic, manually-adjusted rear view vision systems to high-value rear view vision systems with multiple integrated features, including automatic dimming electro-chromic glass, electric power-folds, heated glass and integrated turn signals. In addition to the development and production of traditional exterior rear view vision systems, SMR also develops, produces and integrates a wide variety of mirrors including interior mirrors, blind spot detection systems, side-turn indicator lamps, assist system lighting systems and telescopic trailer tow mirrors. We believe that SMR's innovative efforts, use of latest technology and worldwide network of experts and production facilities enable SMR to remain one of the leading global suppliers of exterior automotive mirrors. SMR has its headquarters in Germany and has manufacturing facilities in the U.K., the U.S., Mexico, Spain, France, Hungary, China, South Korea, Australia, Brazil, Thailand and India. For Financial Year 2016, our rearview mirrors division comprised 27% of our total gross sales of products.

Polymer and module processing division

Our polymer and module processing division manufactures high-level polymer modules and process and tooling operations for interior and exterior and under bonnet components for various vehicle segments. Our product lines include small components and assemblies to large components such as cockpits and instrument panel modules, door trim modules, center consoles, full body panels and pillar trim, bumper modules and fascia, front end module and carriers. Motherson Automotive Technologies and Engineering ("**MATE**"), a division of our Company, operates our polymer and module processing division in India. In addition, we operate our polymer business through our different subsidiaries in South Africa, Emirate of Sharjah and the Czech Republic.

A majority of our polymer and module processing division is carried out under SMP, which was formed as a result of our acquisition of Peguform in 2011. SMP is currently one of the largest manufacturers of instrument panels, door trims and bumpers in Europe. Our polymer and module processing division is spread across different countries in Europe, Asia Pacific, South Africa and the Americas.

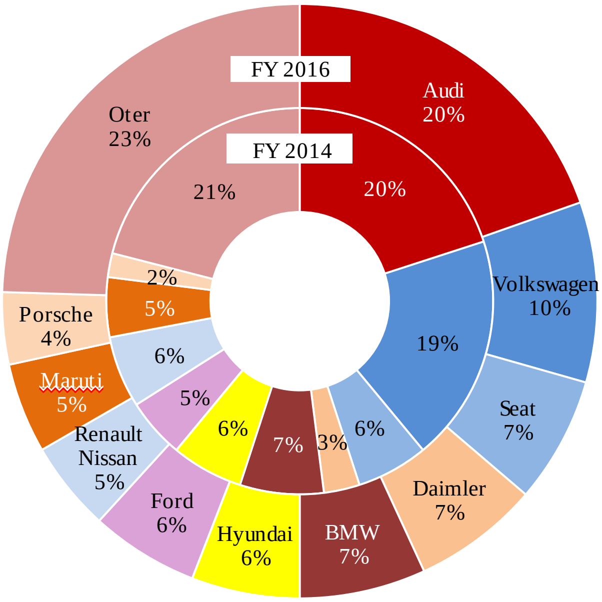
Our polymer and module processing division also produces high precision components, aesthetic and assembled parts, and offers tailored solutions for plastic part requirements of customers. We manufacture products for a number of market segments, providing solutions from cost-optimized molding technologies to high-quality leather surfaces and real stitching on polymer, soft-painted or metalized surfaces. For Financial Year 2016, our polymer and module processing division comprised 55% of our total gross sales of products.

Based on the global market assessment for such products which is available from LMC Automotive, we believe that we had a very significant market share of the global market for door panels and a significant share of the global market for bumpers and instrument panels in Financial Year 2016. Our polymer and module processing division operates through 52 manufacturing facilities across India, the U.S., Hungary, Czech Republic, UAE, South Africa, Brazil, China, Germany, Mexico, Portugal, Slovakia and Spain, as of the date of this Placement Document.

Elastomer processing division

Our elastomer processing division, has several sub-divisions including rubber injection molding (which supplies a wide range of rubber components such as grommets, boots, bellows, gaskets, seals, water strike back valves, damper rings, nozzles), as well as rubber to plastic and rubber to metal bonding products. We believe our elastomer division's strength lies in its strong capabilities in developing rubber compounds for a wide range of applications as well as its non-tire-related rubber mixing plant in Australia. We operate our elastomer processing division through Motherson Automotive Elastomers ("**MAE**") which has two manufacturing units in India (Chennai and Noida) as well as through our wholly-owned subsidiary, Motherson Elastomers Pty Ltd. ("**MEPL**") in Australia. For Financial Year 2016, our elastomer processing division comprised 2% of our total gross sales of products.

As of August 18, 2016, our market capitalization was U.S.$6.6 billion. During the Financial Year ended March 31, 2016, our total revenues from operation (net) were ₹383,952 million and our total revenues (excluding interest income) were ₹386,890 million.



Note: Total revenue from operation in above chart excludes sales of services and other operating revenue of ₹ 3,617 million for Financial Year 2016 and ₹ 700 million for Financial Year 2014.

Recent Developments

Our Company, through one of its step-down Subsidiaries, MSSL Manufacturing Hungary Kft., is proposing to acquire the automotive business unit (comprising certain land, building and machinery) of Ábrahám és Társa Kft., a company incorporated in Hungary. Ábrahám és Társa is engaged in the business of plastic processing and other quality products for car makers across Europe. Through this acquisition, our Company intends to increase its European presence and provide a base for expansion of manufacturing of small to medium sized polymer parts, primarily to support the operations of the upcoming greenfield facility of SMP Group.

Our Strengths

We believe that a number of factors have contributed to, and will continue to drive, our growth, including the following:

1. ***Ability to consolidate its leadership position across product segments***

   We believe that we have leading market positions in each of our main product segments (wiring harness division, rearview mirrors division and polymer and module processing division) across several of the regions and market segments in which we operate. We believe our leading market position is the result of our focus on customers. Our geographical proximity to the customers' operations and ability to scale our operations to their specific requirements enables us to efficiently and effectively address customer needs. We believe we are able to leverage our design expertise, information technology and production capabilities to enhance vertical and technological integration of our global operations. In addition, by ensuring close cooperation across our product divisions/segments, we intend to continue to strengthen our innovation efforts in engineering and product manufacturing, processes and transformation of new technologies into high quality, well-priced products. We believe these factors will enable us to continue to increase our supply of content per vehicle and maintain our position as an integrated full system solutions provider for our major customers, strengthening our relationships and ensuring a continued and growing demand for our services and products.

   For instance, through our subsidiary SMR, we believe we are currently one of the global leaders in the rear view vision systems market, with an extensive product portfolio covering a wide spectrum of vehicle segments. SMR is one of the leading global manufacturers and suppliers of passenger vehicle mirrors for OEMs, including Audi, BMW, Daimler, Fiat, Ford, General Motors, Hyundai, Jaguar Land Rover, Kia, Renault/Nissan, Suzuki, Tata, Toyota, Volvo, and Volkswagen. Additionally, through our SMP division, we believe we are currently one of the market leaders globally across our main product segments namely door panels, instrument panels and bumpers.

   We are one of the few global producers across our main product segments and our leading market positions are supported by significant barriers to entry, including the high degree of product complexity and required systems integration expertise inherent in our product offering, our established strategic relationships with the global OEMs and our extensive global footprint. We also believe that our strong and comprehensive research and development capabilities will continue to support our leading market positions by driving innovation, expanding our product portfolio and enabling us to capitalize on opportunities to capture greater total value content in individual vehicle model programs.

2. ***Global footprint and diversified customer base with strong customer relationships with major automotive OEMs***

   We believe that we are one of the few suppliers in our product segments with a global engineering and manufacturing presence. Our strong geographical diversification and substantial portion of revenue that is generated from our operations in emerging markets (including Asia, Latin America and Eastern Europe) have helped us to capitalize on global growth opportunities while mitigating the impact of any regional demand fluctuations. We have made substantial investments in recent years to expand our global footprint in line with the global shifts in production capacity of our customers, who we believe are becoming increasingly more reliant upon suppliers with global operations. We have global production, engineering, and customer support capabilities, with a presence across six continents including developed and emerging economies through 136 manufacturing facilities.

Our global footprint has also enabled us to strategically locate our facilities within close proximity to the plants of our OEM customers, which enhances our ability to supply our customers in a timely and cost-efficient manner, particularly with respect to the majority of our interior and exterior modules, including door panels, instrument panels and bumpers, which cannot typically be transported efficiently. In addition, consumer demand for vehicle personalization in the premium segment has increased the complexity of our interior and exterior modules, some of which could have hundreds of potential permutations and combinations. To overcome these challenges, we mostly assemble our products in close proximity to the plants of OEM customers, and deliver them on a "just-in-time" and "just-in-sequence" basis directly to our customers' production lines with minimal lead times. As a result, we believe we are able to increase the efficiency of our customers' supply chains and strengthen our status as a preferred supplier. Through our global expansion and business diversification, we believe that we have strategically developed a cost-effective, global procurement network with alternate sourcing options for most of our essential raw material inputs.

We believe we are a trusted partner and a strategic Tier 1 supplier to leading global OEMs and have well-established strategic relationships with several of our customers, including Audi, Volkswagen, SEAT, Porsche, Daimler, BMW, Hyundai, Kia, Maruti Suzuki, Renault-Nissan, Ford, Jaguar Land Rover, General Motors, Volvo and Toyota. We have had long-term collaborative relationships with 14 of the 15 top largest global OEM companies. We provide diverse range of products across customers in various geographies. For example, our top three customers, Audi, Volkswagen and SEAT, contributed 20%, 10% and 7% of our revenue for Financial Year 2016, respectively.

3. ***Consistent value addition through growing historical and acquired businesses***

We believe our ability to support OEMs in every phase of product development process differentiates us from many of our competitors and, given the substantial investment and time that would be required to replicate our global operations, strengthens our status as a preferred partner to the leading OEMs in the automotive industry. As a result of such status, we are regularly able to engage our customers during the early stages of collaborative development projects, which regularly enables us to create value additions by, for example, recommending and incorporating our products into potential designs in advance of our receipt of any formal contract award from our OEM customers. We believe that such collaboration, when combined with our close proximity to our customers, our technological leadership and our demonstrated reliability, has enabled us to maintain a strong track record of repeat orders.

In addition to our consistent value addition through our business, we believe acquisitions of other businesses strengthen our leading position in the global market. For instance, during the Financial Year ended March 31, 2015, our Company acquired three key businesses, namely the (i) acquisition of the wiring harness business of Stoneridge Inc. in order to strengthen our presence in North America, (ii) acquisition of the assets of Scherer & Trier group ("**S&T**") based in Germany, which is a specialist in plastic manufacturing technology, through our subsidiary Samvardhana Motherson Automotive Systems Group B.V. ("**SMRPBV**") for strategic addition of product range of aesthetic products and technologies to compliment our plastics business, and (iii) purchase of the assets of Esslingen, Germany plant of Minda Schenk Plastic Solutions GmbH for the purpose of further strengthening our product portfolio which was in line with customers' request. We will continue to seek acquisition opportunities as a strategic driver to build a leading position in the automotive industry globally. We have built on our successful record of expansion through both organic growth and through acquisitions of complementary businesses with a focus on profitability and value additions. For example, since our acquisition of Visiocorp (now SMR) in 2009 and Peguform (now SMP) in 2011, we have initiated a multipronged series of programs to improve their profitability and performance, which we believe have been successful. We also continue to grow organically with new additional manufacturing plants, such as at Scherling, Germany for production of bumpers, at Bötzingen, Germany for manufacturing of door trims, at Kecskemet, Hungary for production of bumpers and door panels as well as Alabama, the U.S. for production of bumpers, door panels and other exterior parts.

4. ***Strong financial position***

We have shown consistent, stable financial growth in recent years. For the Financial Year ended March 31, 2014, March 31, 2015 and March 31, 2016 and for the three months ended June 30, 2016, our consolidated net profit for period was ₹7,650 million, ₹8,625 million, ₹12,737 million and ₹2,588 million, respectively, and our consolidated revenue from operations (net) was ₹304,279 million,

₹346,731 million, ₹383,952 million and ₹107,144 million, respectively. As of March 31, 2014, March 31, 2015 and March 31, 2016 and as of June 30, 2016, our total assets were ₹153,623 million, ₹175,708 million, ₹207,231 million and ₹228,013 million, respectively. We believe that our financial performance is due principally to (i) continued investments in research and development, (ii) state-of-the-art manufacturing infrastructure with continued capacity expansions to support strong revenue growth, (iii) global geographical footprint with direct presence in all major regulated and semi-regulated markets and with more than 85% of our consolidated revenue generated from international operations, and (iv) a clean track record of regulatory compliance across our manufacturing facilities. In addition, we have a track record of regular dividend payment from Financial Year 1998, and also has a disclosed dividend policy. In 2010, our dividend payout ratio (percentage of earnings paid to shareholders in dividends) on a standalone basis and consolidated basis was 44% and 32%, respectively, and in 2015, our dividend payout ratio on a standalone basis and consolidated basis was 62% and 37%, respectively.

5. ***Prominent research and development capabilities and a track record of innovation***

Our research and development capabilities are a result of a combination of the technological knowledge of our joint venture partners and of those we have internally developed.

Joint venture partnership: We believe that our partners are industry and technology leaders in their respective markets, and their technological capabilities and global reach and presence provide us with significant advantages and benefits across our various businesses. We believe that our strong and long-standing relationship with our joint venture partners has allowed us to gain access to leading technologies from countries in Europe, Japan and Korea. We are able to capitalize on the technologies and leverage our joint venture partners' support. combined with our core knowledge and experience in manufacturing and operations, to provide our customers with high quality automotive components products and services. For example, our relationship with SWSL spans over 30 years. Our partnership with Kyungshin Corporation, which began on 21 July 1997 span over 19 Years. We operate a majority of Hyundai Wiring Harness's portfolio in India through our joint venture, Kyungshin Industrial Motherson Private Ltd ("**KIML**"). In addition, we have collaboration with some of the leading global entities and other relevant technology areas. We believe that our ability to cohesively collaborate with our partners enables us to build a reputation for innovation and technical capability.

Organic development: We are committed to technological leadership and the development of innovative and high quality products in order to meet both the growing demands of our customers with regard to product complexity and feature content as well as increasingly stringent environmental goals and regulatory requirements. Many of our products utilize environmentally friendly and lightweight materials and are manufactured using technologies that provide superior safety, comfort and design. Our design and research centers are interconnected and share innovations and technological advancements across our global network, which enables us to efficiently improve our products and deliver value-added solutions on a global scale and in a cost-efficient manner. Our dedication to technological leadership has enabled us to maintain a long track record of introducing innovative products, including certain blind spot detection systems, telescopic trailer tow mirrors, door panels manufactured using innovative lightweight and recyclable natural fiber materials, heated interiors and vision-based sensor technology. Our strong research and development capabilities have historically enabled us to develop a diversified and comprehensive product portfolio across rear view mirrors, door panels, instrument panels, bumpers and other interior and exterior components. When combined with our ability to offer a full range of system solutions resulting from the vertical integration of our operations, including our strong in-house sourcing capabilities, we have historically been able to utilize our product portfolio to increase the content per vehicle that we supply across each of our customers' vehicle platforms.

In 2015, SMG formed "Motherson Innovations", a dedicated group of experts from various departments which aims to develop ground breaking technologies. The objective of Motherson Innovation is to enter new and attractive market segments with innovative products and to provide SMG with a range of cutting edge solutions and high value product offerings. The team consolidates skilled engineers, researchers and business developers of the SMG's subsidiaries to one tightly cooperating organization, thereby creating synergies. Through our subsidiaries, we hold approximately 900 patents. SMG has introduced several high-value solutions, including intelligent electronic mirrors (which has digital image processing built into rear view systems), new generation camera system as well as advanced driver assistance features. Our team members are well-connected to many of the world's leading technology specialists and to the global network of the SMG.

Further, we focus our research and development capabilities on four key areas:

a) Safety: Developing intelligent features to enhance passenger and pedestrian safety, such as integrated sensors, intelligent camera-based object detection solutions, lane departure warning systems and mirror-integrated blind spot warning lights, and mirror replacement camera monitoring systems;

b) Environment: Using environmentally-friendly and recyclable materials and reducing component size and weight to minimize material and fuel consumption, such as through the application of lightweight natural fibers in interior systems;

c) Performance/efficiency: Optimizing usability through smarter design, the use of new materials and the integration of attractive, value-added features such as vehicle occupant interface displays and controls; and

d) Aesthetics: Improving the aesthetic features of passenger cars through the introduction of new styling solutions, such as high gloss finishes and decorative metallized surfaces.

6. ***Experienced board and management team***

We benefit from a strong professional management team. The majority of our team has been with SMG or its legacy businesses for several years, demonstrating a high degree of continuity and commitment in our leadership. Our management team has a demonstrated track record of achieving improved financial results and has solidified the customer relationships of SMR and SMP as well as enhanced their respective local management teams. In addition, we have experienced and stable senior managers at the regional levels with significant experience and understanding of their respective markets and regions. Our strategy is to empower local management, ensuring they have ownership of day-to-day operational decisions while being guided by central principles aligned to the SMG's vision and strategy. We believe that the strength of our management team combined with our decentralized business model enables us to take advantage of strategic market opportunities, to make decisions at the local level quickly and to better serve our customers. As a result of the foregoing, we have been able to successfully achieve operational improvements, increase operating margins and leverage our long-standing relationships with OEMs to drive revenue growth and win new and repeat business.

Our Strategy

Our vision is to be a globally preferred solutions provider in the automotive industry, which we aim to achieve by continuing to pursue the following strategic actions driven by our philosophy that focuses on consistent, outstanding performance, strengthening of customer relationships built on trust and increasing client engagement as well as developing and supplying long-term sustainable value additions and content per vehicle:

1. ***Disciplined global expansion and diversification with customer-centric approach***

We are a customer-focused company. We intend to continue to diversify and grow our global footprint in line with the international expansion of our main OEM customers' production footprints to ensure that we are in close proximity to efficiently provide our services and products, particularly in emerging markets in Asia and the Americas. We believe that these geographies offer both a low cost base and attractive growth potential in the near future and that such growth will enhance the resilience of our business by reducing our dependence on the European automotive market. We also plan to diversify our customer base by increasing engagement with Chinese and Japanese OEMs. In line with this strategy, our capital expenditure has historically been associated with disciplined growth, generally tied to specific client project nominations, such as our recent construction of new facilities in Germany and China, which are linked to orders from certain of our customers. From the Financial Year ended March 31, 2014, until the Financial Year ended March 31, 2016, we have invested ₹ 38,628 million in capital expenditure (cash outflow from purchase of tangible and intangible assets less cash inflow from sale of tangible and intangible assets), a substantial portion of which was growth capital expenditures related to the construction of new plants in Germany, Hungary, China, India, Thailand, the United States, Mexico and Brazil, as well as our recent plant expansions in Germany, Spain, Mexico and France.

In assessing new investment opportunities, we will continue to consider, among other things, whether an investment will result in an attractive internal rate of return. Client requests and recommendations have also been an important factor in majority of our past decisions to acquire other businesses, which we believe demonstrate our clients' trust in our ability to assist their business. We are currently focused on utilizing such expenditures for the expansion of our business in Mexico to cater to the U.S. market, and selected regions in Eastern Europe and China, where we believe that growth in light vehicle production volumes will be strongest in the medium-term.

We believe we have a robust strategy for disciplined global expansion and diversification to become a globally preferred solutions provider in the automotive industry. Our philosophy focuses on consistent outstanding performance, strengthening customer relationships built on trust, pursuing greater client engagement, increasing the content per vehicle that we supply and developing sustainable value creation. Our recent growth has centered on our automotive business, especially in the plastic and mirror segments. With the acquisition of assets of S&T, we also established our presence in the aesthetic plastic components industry. In addition to our presence across Asia, Europe and the Americas, we expanded our presence to North America through the acquisition of the wiring harness business of Stoneridge Inc. in 2014. In line with our core value of focusing on customers' needs, our global expansion and diversification will closely track our customers' footprints.

2. ***Retain and strengthen our technological leadership through continued focus on research and development and innovation, leading to an increasing content per vehicle***

We are focused on retaining and strengthening our technological leadership through the continued development of innovative products, which we believe will enable us to expand our diversified products portfolio and drive increased product orders going forward.

Our track record and reputation has positioned us as a preferred partner for collaborative research and development with leading OEMs. We intend to continue to pursue collaboration opportunities with our existing customers, offering them our full suite of development capabilities and jointly developing innovative solutions to cater to their needs. We also intend to continue to promote the sharing of knowledge and experience among our product development personnel across our different geographies to ensure that our most up-to-date expertise and solutions are available globally. Through our focus on technological leadership and the design and production of innovative products and solutions, we aim to further strengthen our position as the partner of choice in providing innovative and complex products which meet changing consumer needs.

Our new joint ventures, partnerships in India and outside of India as well as acquisitions abroad have presented us with growth and expansion opportunities. Consistent with our approach, we will continue to aim to increase our "content per vehicle" by increasing the number of parts we supply per car and at the same time focusing on higher value-added parts. As technology drives innovations in the automotive industry and vehicles become more complex to support additional features of safety, driver information, entertainment and others, we believe that we will be able to take advantage of resulting increase in demand for both content and value per vehicle in the future. In addition, we believe that our ability to ensure consistent delivery of quality and high customer satisfaction level will drive ours customers to commission us to manufacture new parts in their upcoming projects. Through our acquisitions, addition of new products to the portfolio, thereby offering and cross-selling to new and existing customers, we aspire to take full advantage of the potential for continued growth in our product and service offerings.

3. ***Increase customer penetration and diversification***

We intend to continue to strengthen our existing relationships with OEM customers in India and outside of India, while simultaneously pursuing opportunities to develop new OEM relationships. With respect to our existing customers, we aim to continue to maintain our strong track record of repeat orders as well as expand and strengthen our relationships with these companies as part of our organic growth efforts. We also intend to capitalize on the current trend of OEMs shifting to global platforms and consolidating their supplier bases so that we can capture greater total value content in individual model programs. In order to achieve this, we intend to actively manage our key customer accounts to increase customer interaction, collaborate with our customers in the early stages of product development and help our customers optimize their supply chains by managing their lower tier suppliers.

Furthermore, we intend to continue to leverage SMR's and SMP's complementary OEM relationships to cross-sell our products to existing customers in order to capture a greater total value content in individual model programs. For instance, certain OEMs with no previous ties to SMP have recently solicited bids for interior and exterior modules as a result of their positive experiences and long-standing relationships with SMR.

4. ***Drive further efficiency and continue to improve our cost base and capex efficiency***

We intend to continue to improve the efficiency of our operations and reduce our cost base by taking advantage of our global footprint and economies of scale as well as by targeting savings in our administrative, procurement and production processes. In particular, we are focused on enhancing the vertical integration of our operations by coordinating our manufacturing activities across SMG and through our integrated supply chain, including procurement, inventory management, engineering and design operations. For instance, through the collaboration of SMR and SMP engineering teams, we are able to showcase integrated solutions to our customers, as well as purchase certain raw material inputs, such as resins and paints, on a joint basis in order to achieve cost advantages with key suppliers. Consequentially, we aim to reduce our dependence on third-party suppliers through the utilization of in-house sourcing options for raw materials and key components. For instance, in our rear view vision systems business, we currently source a portion of several key inputs in-house, including mirror glass, actuators and power- folds, which results in an increased proportion of our in-house value-added content in the modules and systems we assemble and deliver to our customers. We intend to continue to focus on the vertical integration of our operations, which we believe will enable us to further streamline our production processes, achieve shorter development and delivery lead times, exercise significant control over key inputs and processes, enhance quality control and increase supply security. We also aim to continue investing in capital expenditures to strengthen our capabilities in India and outside of India, which we believe would lead to a more efficient utilization of our assets and lead to better profitability across our business segments.

5. ***Synergies through horizontal and vertical integration of our business.***

We aim to continue to be present across various levels of the automotive component value chain, providing products and services that range from product design, prototyping to tool manufacturing, assembly and the production of integrated modules. We have been able to harness our synergies through horizontal and vertical integration across our different products and service segments. For example, our wiring harnesses are used in the manufacture of rear view vision systems, enabling SMR to source directly from us, while our wiring harness manufacturing activities are supported by our existing polymer processing and tool manufacturing capabilities. Our wiring harnesses business produces all major components required in-house, ranging from wires to connectors. These synergies extend across various businesses, which we believe enhances our ability to be an integrated full-system solutions provider.

We believe that our synergies reduce our dependence on third party suppliers for a number of products and services, thereby enabling us to streamline the production process and achieve shorter delivery and development lead times resulting in "Just-in-Time" production capabilities. In addition, we are able to coordinate manufacturing activities across our subsidiaries, joint ventures and other consolidated entities through our integrated supply chain, inventory management, engineering and design and information technology functions. We believe that these horizontal and vertical synergies provide us with a significant operational advantage and enable us to achieve economies of scale.

6. ***Pursue strategic acquisitions while maintaining our conservative financial policy***

We have built on our successful record of expansion through both organic growth and through acquisitions of complementary businesses with a focus on profitability and value additions. We have pursued and will continue to consider inorganic growth with the goal of maintaining a conservative financial profile. For example, since our acquisition of SMR in 2009, we have initiated a series of programs to improve its performance. As part of this strategy, we intend to continue to grow our business through selected value-accretive acquisitions to the extent such acquisitions are backed by one or more OEMs. Additionally, we intend to consider acquisitions to gain access to key technologies and potential synergies as well as to expand our customer base and gain opportunities for cross-selling across different segments. Furthermore, when evaluating potential acquisition, we intend to focus on our long-term prospects and our ability to return to our targeted leverage levels following such acquisitions.

SUMMARY OF THE ISSUE

The following is a general summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Placement Document, including the section "***Risk Factors***", "***Use of Proceeds***", "***Placement***", "***Issue Procedure***" and "***Description of the Equity Shares***" on pages 40, 73, 185, 174 and 199 of this Placement Document, respectively.

Issuer	Motherson Sumi Systems Limited
Issue Price	₹ 317 per Equity Share
Face Value	₹ 1 per Equity Share
Floor Price	₹ 326.10 per Equity Share. In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price. However, our Company has decided to offer a discount of 2.79% on the Floor Price in terms of Regulation 85 of the SEBI ICDR Regulations. The Floor Price, net of discount of 2.79% is ₹ 317.
Issue Size	62,884,827 Equity Shares, aggregating up to ₹19,935 million. A minimum of 10% of the Issue Size shall be available for Allocation to Mutual Funds only and balance approximately 56,596,344 Equity Shares shall be available for Allocation to all QIBs, including Mutual Funds. In case of under-subscription or no subscription in the portion available for Allocation only to Mutual Funds, such portion or part thereof may be Allotted to other Eligible QIBs.
Date of Board Resolution	August 3, 2016
Date of Shareholders' Resolution	August 31, 2016
Eligible Investors	QIBs as defined in regulation 2(1)(zd) of the SEBI ICDR Regulations and not, excluded pursuant to regulation 86 of the SEBI ICDR Regulations. The list of QIBs to whom this Placement Document and Application Form is delivered, shall be determined by the Book Running Lead Managers in consultation with our Company, at its sole discretion. Please see section "***Issue Procedure – Eligible QIBs***", "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 177, 187 and 193, respectively of this Placement Document.
Dividend	Please see section "***Description of the Equity Shares***", "***Dividends***" and "***Taxation***" on pages 199, 79 and 202, respectively of this Placement Document.
Indian Taxation	Please see section "***Taxation***" on page 202 of this Placement Document.
Equity Shares issued and outstanding immediately prior to the Issue	1,340,641,500 Equity Shares.
Equity Shares issued and outstanding immediately after the Issue	1,403,526,327 Equity Shares.
Listing	Our Company has obtained in-principle approvals in terms of Clause Regulation 28(1)(a) of the SEBI Listing Regulations, for listing of the Equity Shares issued pursuant to the Issue from the Stock Exchanges. Our Company will make applications to each of the Stock Exchanges after Allotment to obtain final listing and trading approval for the Equity Shares.
Lock-up	The Company has agreed with the Book Running Lead Managers that it will not for a period of 60 days from the date of the Placement Agreement without the prior written consent of each of the Book Running Lead Managers, directly or indirectly, (a) offer, issue, contract to issue, issue or offer any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of or lend or agree to transfer or dispose of or create an Encumbrance over, any Equity Shares, or any interest therein or file any registration statement under the U.S. Securities Act with respect to any of the foregoing or (b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Equity Shares or any interest therein, including but not limited to any

	securities convertible into or exercisable or exchangeable for Equity Shares (regardless of whether any of the transactions described in clause (a) or (b) is to be settled by the delivery of such securities, in cash or otherwise), or (c) deposit such securities of the Company with any other depositary in connection with a depositary receipt facility or (d) publicly announce any intention to enter into any transaction falling within (a) to (c) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale, issue or offer or deposit of such Equity Shares of the Company in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (c) above. Provided however that the Preferential Issue to SWS is permitted and is not restricted by the lock-up above. Further, Samvardhana Motherson International Limited holds 48,85,49,846 Equity Shares aggregating 36.93% of the share capital of the Company pre-Placement and prior to the Preferential Issue of SWS. Samvardhana Motherson International Limited has agreed with the Book Running Lead Managers that during the period commencing on the date hereof and ending 60 days after the date of allotment of the Equity Shares under the Placement (the "**Lock-up Period**"), it shall not, without the prior written permission of the Book Running Lead Managers, do the following: (a) directly or indirectly, issue, offer, lend, sell, contract to sell, pledge, Encumber, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, make any short sale, or otherwise transfer or dispose of, or agree to transfer or dispose of or create an encumbrance over any Promoter Share (as defined herein below) or any interest therein, including but not limited to any options or warrants to purchase any Promoter Shares, or any securities convertible into or exercisable for or exchangeable for, or that represent the right to receive, any Promoter Share or file any registration statement under the U.S. Securities Act of 1933, as amended, with respect to any of the foregoing (regardless of whether any of the transactions described in this para (a) is to be settled by the delivery of the Promoter Shares or such other securities, in cash or otherwise); or (b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Promoter Shares or any interest therein, including but not limited to any securities convertible into, or exercisable, or exchangeable for any of the Promoter Shares (regardless of whether any of the transactions described in this para (b) is to be settled by the delivery of the Promoter Shares or such other securities, in cash or otherwise); or (c) deposit any of the Promoter Shares, or any securities convertible into, or exercisable, or exchangeable for the Promoter Shares or which carry the rights to subscribe for or purchase the Promoter Shares, with any depositary in connection with a depositary receipt facility; or (d) publicly announce any intention to enter into any transaction falling within (a) to (c) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of the Promoter Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (c) above. Notwithstanding anything provided above, the foregoing restrictions on transfer of Promoter Shares by the promoter group shall not apply to: (i) any inter group transfer made to any entities promoted by the promoter group ("**Promoter Group Entities**"), subject to compliance with Applicable Law and subject to observance by the transferee Promoter Group Entities of the foregoing restrictions on transfer of Promoter Shares until the expiry of the Lock-up Period; and (ii) any creation of pledge on the Promoter Shares as security for any indebtedness.
Transferability Restrictions	The Equity Shares to be issued pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. Please see section "***Transfer Restrictions***" and "***Selling Restrictions***" on pages 193 and 187, respectively of this Placement Document.
Use of Proceeds	The gross proceeds from the Issue will be approximately ₹19,935 million. The net proceeds from the Issue, after deducting fees, commissions and

	expenses of the Issue, will be approximately ₹19,514 million. Please see section "***Use of Proceeds***" on page 73 of this Placement Document for information regarding the use of net proceeds from the Issue.
Risk Factors	Please see section "***Risk Factors***" on page 40 of this Placement Document for a discussion of risks you should consider before investing in the Equity Shares.
Pay-In Date	Last date specified in the CAN sent to the Eligible QIBs for payment of application money.
Closing	The Allotment of the Equity Shares, expected to be made on or about September 16, 2016.
Ranking	The Equity Shares to be issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank *pari passu* with the existing Equity Shares of our Company, including rights in respect of dividends. The shareholders of our Company (who hold Equity Shares as on the record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Bid/ Issue Closing Date, in compliance with the Companies Act, SEBI Listing Regulations and other applicable laws and regulations. Shareholders may attend and vote in shareholders' meetings in accordance with the provisions of the Companies Act. Please see sections "***Dividends***" and "***Description of the Equity Shares***" on pages 79 and 199 of this Placement Document, respectively.
Security Codes for the Equity Shares	ISIN: INE775A01035 BSE Code: 517334 NSE Code: MOTHERSUMI
Minimum Offer Size	The minimum value of offer or invitation to subscribe to each Eligible QIB is ₹ 20,000 of the face value of the Equity Shares

To ensure that the shareholding of SWS in our Company is maintained at above 25%, our Company has issued 17,762,460 Equity Shares to SWS, one of our promoters, on September 12, 2016, through a preferential issue as permitted under Chapter VII of the SEBI ICDR Regulations and other applicable laws. The Preferential Issue to SWS has been approved by our shareholders' resolution passed at the AGM dated August 31, 2016.

SUMMARY FINANCIAL INFORMATION

The following summary financial information and other data should be read together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements, including the notes thereto and the reports thereon, which appear in the section "Financial Statements". The summary financial information set forth below is derived from the audited consolidated financial statements as of and for the years ended March 31, 2014, 2015 and 2016, and from the reviewed consolidated financial statements as of and for the three months ended June 30, 2015 and 2016, in each case prepared in accordance with Indian GAAP.

Solely for the convenience of the reader, the selected data set out below is presented in a format different from our consolidated financial statements and such data has been derived from our consolidated financial statements. Neither the information set forth below nor the format in which it is presented should be viewed as comparable to information presented in accordance with Indian GAAP, IFRS or other accounting principles.

Solely for the convenience of the reader, Rupee amounts as of and for the three months ended June 30, 2016 have been translated into U.S. dollars at the selling exchange rate as reported by the RBI on June 30, 2016, of Rs.67.62 per U.S.$1.00. The U.S. dollar equivalent information should not be construed to imply that the real amounts represent, or could have been or could be converted into, U.S. dollars at such rates or at any other rate.

Summary Income Statement Information

	Fiscal Year		
	2014	**2015**	**2016**
	(in Rs. millions)		
Revenue from operations (gross)	309,974	351,786	391,102
Less: Excise Duty	5,695	5,934	7,150
Revenue from operations (net)	**304,279**	**345,852**	**383,952**
Other income	3,106	4,643	3,209
Total	**307,385**	**350,495**	**387,161**
Expenditure			
Cost of materials consumed	195,557	221,855	230,837
Purchase of stock-in-trade	1,093	2,189	3,297
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(3,036)	(7,729)	(2,462)
Employee benefits expense	51,064	63,652	73,997
Other expenses	35,630	38,325	43,740
Total	**280,308**	**318,292**	**349,409**
Profit before finance cost and depreciation	**27,077**	**32,203**	**37,752**
Depreciation and amortisation expense	8,172	9,206	11,357
Profit before finance cost	**18,905**	**22,997**	**26,395**
Finance cost	2,943	3,178	2,706
Exceptional items (income)/ expense	-	1,648	291
Profit before tax	**15,962**	**18,171**	**23,398**
Tax expenses	4,994	5,256	5,836
Profit for the year	**10,968**	**12,915**	**17,562**
Minority Interest Profit	3,316	4,294	4,823
Share of net profit / (Loss) of associates	(2)	4	(2)
Profit for the year	**7,650**	**8,625**	**12,737**
Earnings per share (₹)			
Basic	8.67	9.78	9.63
Diluted	8.67	9.78	9.63

	Three months ended June 30,		
	2015	**2016**	**2016**
	(in Rs. millions)		***(in U.S.$ millions)***
Revenue from operations (gross)	94,621	109,052	1,613
Less: Excise Duty	1,605	1,908	28

	Three months ended June 30,		
	2015	2016	2016
	(in Rs. millions)		*(in U.S.$ millions)*
Revenue from operations (net)	**93,016**	**107,144**	**1,585**
Other income	1,079	475	7
Total	**94,095**	**107,619**	**1,592**
Expenditure			
Cost of materials consumed	57,638	66,262	980
Purchase of stock-in-trade	416	578	9
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(469)	(1,971)	(29)
Employee benefits expense	17,828	20,892	309
Other expenses	10,104	12,360	183
Total	**85,517**	**98,121**	**1,451**
Profit before finance cost, depreciation and exceptional items and tax	**8,578**	**9,498**	**140**
Depreciation and amortisation expense	2,346	2,796	41
Profit before finance cost	**6,232**	**6,702**	**99**
Finance cost	683	802	12
Exceptional items (income)/ expense	246	332	5
Profit before tax	**5,303**	**5,568**	**82**
Tax expenses	1,638	2,017	30
Profit after tax before share of results of Associates and Minority Interest	**3,665**	**3,551**	**53**
Minority Interest Profit	1,006	960	14
Share of net profit / (Loss) of associates	(1)	(3)	(0)
Profit for the year	**2,658**	**2,588**	**38**
Earnings per share (₹)			
Basic	3.01	1.96	0.03
Diluted	3.01	1.96	0.03

Summary Balance Sheet Information

	As of March 31,			As of June 30,	
	2014	2015	2016	2016	2016
	(in Rs. millions)			*(in Rs. millions)*	*(U.S.$ millions)*
Equity and liabilities					
Share capital	882	882	1,323	1,323	20
Reserves and surplus	28,711	32,356	41,133	44,134	653
Minority Interest	7,896	10,142	14,411	15,409	228
Non-Current liabilities					
Long-term borrowings	29,834	40,859	50,023	70,193	1,038
Deferred tax liabilities (net)	1,680	1,457	1,926	1,937	29
Other long-term liabilities	2,083	3,091	1,828	1,850	27
Long-term provisions	2,043	2,180	2,424	2,534	38
Current liabilities					
Short-term borrowings	10,111	8,245	9,859	6,127	91
Trade payables	40,917	48,641	55,674	54,774	810
Other current liabilities	24,767	22,287	25,553	25,928	383
Short-term provisions	4,699	5,568	3,077	3,804	56
Total	**153,623**	**175,708**	**207,231**	**228,013**	**3,373**
Assets					
Non-current assets					
Fixed assets					
Tangible assets	56,485	57,755	70,093	77,548	1,147
Intangible assets	2,704	3,534	3,496	3,731	55
Capital work-in-progress	6,467	9,554	13,740	9,144	135

	As of March 31,			As of June 30,	
	2014	2015	2016	2016	2016
	(in Rs. millions)			*(in Rs. millions)*	*(U.S.$ millions)*
Intangible assets under development	4	4	-	-	
Non-current investments	749	649	1,009	1,057	16
Deferred tax assets (net)	1,184	1,909	3,649	3,120	46
Long-term loans and advances	3,566	5,692	2,337	2,317	34
Other non-current assets	1,909	2,425	5,185	7,331	108
Current Assets					
Current investments	0	0	0	0	0
Inventories	32,822	37,500	45,033	48,024	710
Trade receivables	32,384	30,144	34,656	34,510	510
Cash and bank balances	9,061	18,919	19,329	31,519	466
Short-term loans and advances	6,162	7,438	8,165	9,422	139
Other current assets	126	185	539	290	4
Total	**153,623**	**175,708**	**207,231**	**228,013**	**3,372**
Contingent liabilities	315	560	663	585	9

Summary cash flow information

	As of and for the fiscal year ended March 31,		
	2014	2015	2016
	(Rs. millions)		
Net Cash generated from operating activities	26,950	33,897	23,109
Net Cash (used in) investing activities	(13,723)	(28,529)	(20,024)
Net Cash generated from/(used in) financing activities	(10,801)	4,945	(2,829)
Net increase in cash and cash equivalents	**2,426**	**10,313**	**256**
Cash and cash equivalents at the beginning of the year	5,845	8,305	18,698
Cash and cash equivalents acquired consequent to acquisition of Wiring Harness Division of Stoneridge and Scherer & Trier	-	85	-
Cash and cash equivalents at the current year closing	**8,271**	**18,703**	**18,954**

	As of and for the three months ended June 30,		
	2015	2016	2016
	(Rs. millions)		*(U.S.$ millions)*
Cash flow from / (used in) operating activities	2,892	2,520	37
Cash flow from / (used in) investing activities	(5,699)	(5,474)	(81)
Cash flow from / (used in) financing activities	3,453	14,799	219
Net increase in cash and cash equivalents	**646**	**11,845**	**175**
Cash and cash equivalents at the beginning of the year	18,698	18,990	280
Cash and cash equivalents at the current year closing	**19,337**	**30,835**	**455**

RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Placement Document, including the risks and uncertainties described below, before making an investment in the Equity Shares. This section should be read together with "Industry and Market Data", "About Our Company – Our Business", and "Management's Discussion and Analysis of Financial Condition and Results of Operations" as well as the financial statements, including the notes thereto, and other financial information included elsewhere in this Placement Document.

The risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us, or that we currently believe to be immaterial, may also adversely affect our business, prospects, financial condition and results of operations and cash flow. If any or some combination of the following risks, or other risks that are not currently known or believed to be material, actually occur, our business, financial condition and results of operations and cash flow could suffer, the trading price of, and the value of your investment in, Equity Shares could decline and you may lose all or part of your investment. In making an investment decision you must rely on your own examination of us and the terms of this Issue, including the merits and risks involved.

This Placement Document also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors including the considerations described below and elsewhere in this Placement Document.

Unless otherwise stated, references to "we", "us", "our" and similar terms are to Motherson Sumi Systems Limited on a consolidated basis.

Risks Relating to Our Business

We are affected by economic trends and adverse developments in the global economy and in countries where we operate.

Our business is affected by general economic conditions, in particular levels of industrial and manufacturing output in the industries and markets that we serve, and is susceptible to downturns in economies around the world, including major economic centers such as the European Union and the U.S., as well as emerging markets such as India, China, Mexico and Brazil. General economic conditions and macroeconomic trends can affect overall demand for our products and the markets in which we operate. Beginning in mid-to-late 2008, a worldwide financial and economic downturn occurred that affected nearly all regions of the world and all business sectors and especially the automotive industry. Ongoing struggles in Europe related to sovereign debt issues, among other things, have contributed to a challenging economic environment. Most of our revenue is derived from OEMs who could be significantly impacted by adverse economic developments globally and particularly in Europe. During periods of slow economic activity, consumers may forego or delay vehicle purchases, or purchase lower-priced models with fewer premium features, resulting in reduced demand by our OEM customers for our products. If the economic environment in any of the markets from which we derive substantial revenue declines, unfavorable economic conditions may impact a significant number of our customers and, consequently, the demand for our product lines, and our business, financial condition and results of operations could be materially and adversely affected.

On 23 June 2016, the United Kingdom held a referendum on its membership of the European Union and voted to leave (**Brexit**). There is significant uncertainty at this stage as to the impact of Brexit on general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets as well as our operations in the region. For example, Brexit could give rise to increased volatility in foreign exchange rate movements and the value of equity and debt investments. A lack of clarity over the process for managing the exit and uncertainties surrounding the economic impact could lead to a further slowdown and instability in financial markets. These factors, combined with others, may impact our ability to raise capital. An inability to raise capital or access credit markets would have a material adverse effect on our business and financial condition.

The present, as well as future, economic downturns (including but not limited to global or regional recessions as a result of conflicts, credit crises, natural disasters or general or industry-specific declines in output or growth) could have the effect of significantly reducing demand for our products and could negatively affect the creditworthiness of our customers, our suppliers and the financial institutions with which we have accounts or other business relationships. Any of these developments, alone or in combination, could have a material adverse effect on our business, financial condition and results of operations.

We depend upon sales of our products to a small number of customers, and the loss of or reduction in sales to any of our major customers would have a material adverse effect on us.

Historically, the automotive industry has had a limited number of major global OEMs and this has led to a substantial percentage of our sales being made to a small number of customers. The loss of a major customer, if not replaced, would adversely affect us, as would factors such as automobile recalls that could have the effect of slowing our customers' sales. Reduction in any of our customers' sales may lead to decreased production by such customers or such customers could reduce sourcing of products from us, resulting in lower demand for our products. For the Financial Year ended March 31, 2016, our largest customer, Volkswagen group (which includes Volkswagen, Audi, Porsche and SEAT), represented 41% of our revenue, while the top five brands we supplied to – Audi, Volkswagen, SEAT, Daimler and BMW – in the aggregate represented 51% of our revenue.

The loss of any OEM as our major customer would have a material adverse effect on our business, financial condition and results of operations if we were unable to replace it with growth from an alternative customer. We expect to continue to depend on sales to our largest customers and any material delay, cancellation or reduction of orders from these customers or other significant customers would have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

Our customers may fail to pay us the amounts due to us on time or at all, which could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

If there is deterioration in our customers' financial condition, including insufficient liquidity, they may be unable to pay us these accounts receivables on time or at all. Any failure or delay in payment could also lead us to further extend our payment terms, restructure our accounts receivable or create allowances for doubtful debts. All of these factors could have a material adverse impact on our financial condition, results of operations and cash flows. Any global economic uncertainty could increase the risk of our customers being unable to pay amounts due to us and of our customers going into bankruptcy or reorganization proceedings, which could impact our ability to collect our receivables. If one or more of our customers were to become insolvent or otherwise unable or unwilling to pay for their orders, our results of operations, cash flows and financial condition could be adversely affected.

Our business may be adversely impacted by the emissions incident involving alleged violations by our largest customer, the Volkswagen group.

On September 18, 2015 and November 2, 2015, the U.S. EPA announced investigations into alleged violations of the U.S. Clean Air Act of 1963, as amended, by Volkswagen AG, Audi AG, Volkswagen Group of America, Inc., Porsche AG and Porsche Cars North America (collectively, "**Volkswagen**") through the use of software in Volkswagen's diesel engine cars to produce compliant emissions results only when the software detected that the vehicle was being subjected to an EPA emissions compliance test. It is alleged that the software functions as an illegal "defeat device" and allows vehicles to meet the emissions standards for nitrogen oxide ("**NOx**") in a laboratory or testing situation but during normal operations, results in increased NOx emissions up to 40 times above the standards. As a result of the alleged violations, the EPA has announced stricter diesel emissions testing, which will include testing diesel cars in on-road situations and additional tests to find defeat devices. Volkswagen has reached various agreements with governments in a number of jurisdictions to fix or recall the affected vehicles. Recently, Volkswagen announced it will take an U.S.$18 billion charge related to its emissions incident. In consequence to the investigations in the U.S., vehicle emissions standards and test procedures have also been under scrutiny in Europe and in India. A number of manufacturers have received requests for information from regulators in various countries about their emissions and emissions testing and some inquiries may not yet be concluded.

Volkswagen group is our largest customer, representing 41% of our revenue in the fiscal year ended March 31, 2016. It is possible that the emissions incident has an adverse effect on future sales of Volkswagen group's brands in the US and other markets due to the negative perception it may have caused among consumers. This could in turn adversely affect our sales to Volkswagen group if the production volume for our contracted model programs decreases in consequence.

In addition, while we produce technologies such as rear view mirrors, bumpers and interior modules, demand for which is not flexible and dependent on the propulsion system of the vehicle, consumers may develop negative perceptions of diesel-engine cars for a variety of reasons, including their potential environmental impact, uncertainty related to their resale value and unresolved questions related to performance. Although our product output is unrelated to emission related machinery, we are unable to predict what adverse impact, if any, these events may have on our business and results of operations.

Seasonal or economic cyclicality coupled with reduced demand in the automotive industry in which we operate could affect our business.

Substantially all of our business is directly related to vehicle sales and production by our customers, who consist primarily of large automotive OEMs, and demand for our products is largely dependent on the industrial output of the automotive industry. The sales, volumes and prices for vehicles are influenced by the cyclicality and seasonality of demand for these products. The automotive industry has been cyclical in the past and we expect this cyclicality to continue. Our operations and performance are directly related to levels of global vehicle production, particularly the light vehicle market, and are therefore affected by factors that generally affect the automotive industry. The automotive industry is sensitive to factors such as consumer demand, consumer confidence, disposable income levels, employment levels, fuel prices and general economic conditions. Any significant reduction in vehicle sales and production by our customers may have a material adverse effect on our business, financial condition and results of operations. For example, a substantial deterioration in vehicle production such as that experienced in 2008 and 2009 could have a significant negative effect on our sales and results of operations. Furthermore, in some geographies automotive production and demand are subject to seasonality, which may influence the demand for our products. For example, European OEMs generally scale back or halt vehicle production during August, and Christmas holidays in Europe and the Americas can impact demand during December.

More generally, the automotive industry is affected by other factors such as national and international trade, environmental and health and safety regulations, automobile recalls and oil prices. In the event of a decrease in demand for light vehicles, or any developments that make the sale of components for the light vehicle market less economically beneficial, we may experience a material adverse effect on our business, financial condition and results of operations.

Our customers may encourage competition to reduce their costs and even reduce sourcing from us to reduce their dependence on us, which would have a material adverse effect on us.

The automotive industry is highly competitive, which has led to lowering profit margins for many market players in the automotive-supply industry. Our OEM customers may encourage price competition among us and our competitors to reduce their costs or even reduce sourcing from us to reduce their dependence on us. Our inability to adequately adjust our customer pricing in response to customer demand or market trend in a timely manner, or at all, could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

We may incur significant costs in connection with ongoing efforts by our customers to restructure their operations.

The automotive industry continues to experience depressed production volumes and sales levels in certain geographic markets. In response to these conditions, some OEMs continue to explore further restructuring of their operations, which may include plant closures. As a result of such actions, certain of our customers may cut vehicle production or postpone vehicle production programs, or cancel or scale back future product plans. Further, as OEMs follow a trend of localization of production in certain lower-cost countries, they have and/or may in the future close plants in certain locations while opening plants in new locations, requiring suppliers to follow this geographic migration. In the event that restructuring efforts by certain of our customers affect vehicle programs for which we supply or are scheduled to supply components, we may need to restructure or downsize our operations in order to align them with the evolving needs of our customers. In such an event, we may incur restructuring, relocation, downsizing and/or other significant non-recurring costs in our operations, which could have a material adverse effect on our business, financial condition and results of operations.

Escalating price pressure from customers could materially and adversely affect our business.

Our OEM customers are active in competitive industries and face constant pressure to cut their selling and production costs. Accordingly, component pricing is one of the key metrics by which OEMs choose suppliers for their vehicle programs. As a result, we have in the past and could continue to experience pressure to reduce our prices and there can be no assurances that our customers will not seek lower-priced options from our competitors. Many automotive OEMs, for example, have annual price reduction policies and objectives with their suppliers. Price reductions are typically agreed on an annual basis as part of our long-term customer contracts and can vary by market or region, taking into account the OEM's specific economic objectives. The average effective reduction in product price agreed in this manner typically ranges up to 2% to 3% on a per-annum basis. We expect such pricing pressure to continue in the future. Accordingly, we endeavor to continue to innovate and introduce new products and applications as well as to continue to carefully manage and reduce our operating costs in order to maintain our margins and competitive position. For example, our purchasing teams work in close co-ordination with suppliers to extract discounts to reduce our purchasing cost. In addition, our engineering and manufacturing teams work on various product cost-optimization projects to reduce manufacturing costs, improve supply chain logistics and the packaging of our products in order to reduce the cost per unit. While these actions enable us to respond to price reduction requests and requirements from our customers without affecting our margins, there can be no assurances that we will continue to achieve sufficient cost savings in the future, which could affect our ability to offer reduced prices to our customers. If we are unable to reduce prices, we may not be able to retain existing customers or win new customers and any loss of customers or any reduction of our prices that cannot fully be offset by input cost reductions could have a material adverse effect on our business, financial condition and results of operations.

Our contracts with customers are based upon commercial agreements that are typically finalized at the start of production of a particular vehicle program. Our framework agreements and purchase order contract regime could expose us to certain cost pressures that may not be entirely recoverable from the customer and therefore have a material adverse effect on our business, financial condition and results of operations. These contracts generally run for the duration of a customer's product platform or model line (on average five years), or until a mid-cycle refresh change occurs (on average every three years). Purchase orders for the specific parts within the contract are renewed on an annual basis according to the economic agreements with each customer. These agreements may also include price reductions over the life of the contract. While our customer contracts generally include a mechanism whereby we can pass through increases in the costs of raw materials, there can be no assurances that this cost pass-through will be sufficient to maintain our margins under such contracts should our production costs increase. In addition, we may not be able to recover the ramp-up costs associated with the set-up and initial production if the ultimate production does not reach anticipated volumes. Any of these factors, alone or in combination, could have a material adverse effect on our business, financial condition and results of operations.

Deterioration in the performance of any of our subsidiaries, joint ventures and affiliates may adversely affect our results of operations and our ability to pay dividends on the Equity Shares depends on our ability to obtain cash dividends or other cash payments.

We currently conduct a substantial part of our operations through our Subsidiaries, Joint Ventures and other consolidated entities, and these entities generate all of our operating income and cash flow. We have made and may continue to make capital commitments to our subsidiaries, joint ventures and affiliates, and if the business or operations of any of these subsidiaries, joint ventures and affiliates deteriorates, the value of our investments may decline substantially. We are also subject to risks associated with joint ventures and affiliates wherein we retain only partial or joint control. Our partners may be unable, or unwilling, to fulfill their obligations, or the strategies of our joint ventures or affiliates may not be implemented successfully, which may significantly reduce the value of our investments, and, which may in turn have a material adverse effect on our reputation, business, financial position or results of operations.

In addition, we will be required to rely on free cash flows of our Subsidiaries, cash dividends from our Joint Ventures, investment income, financing proceeds and other permitted payments from our Subsidiaries, Joint Ventures and other consolidated entities to make principal and interest payments on our debt, pay operating expenses and dividends, if any, on the Equity Shares and pay other obligations of ours that may arise from time to time. The ability of our Subsidiaries, Joint Ventures and other consolidated entities to make payments to us depends largely on their financial condition and ability to generate profits as well as regulatory conditions. In addition, because our Subsidiaries, Joint Ventures and other consolidated entities are separate and distinct legal entities, they will have no obligation to pay any dividends and may be restricted from doing so by contract, including other financing arrangements, charter provisions, other shareholders or partners or the applicable laws and regulations of the various countries in which they operate.

We cannot assure you that our Subsidiaries, Joint Ventures or other consolidated entities will generate sufficient profits and cash flows, or otherwise prove willing or able, to pay dividends to enable us to meet our obligations and pay interest, expenses and dividends, if any, on the Equity Shares. The inability of one or more of these entities to pay dividends could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition. In addition, our financial condition and results of operations could be adversely affected should our equity stake in our Subsidiaries or our equity interest in our Joint Ventures and other consolidated entities be diluted or in the event they cease to be our Subsidiaries, Joint Ventures and other consolidated entities. Further, in the event that the value of our investment in any of our Subsidiaries, Joint Ventures and other consolidated entities diminishes significantly, this could have a material adverse effect on our financial condition and results of operations.

Competition in our markets could reduce our profitability or reduce our market share.

We derive a substantial part of our revenue from our overseas business. For the year ended March 31, 2016 and for the three months ended, June 30, 2016, 84% and 86% of our total consolidated sales revenue was based on operations outside of India, respectively. We face global competition in our business, which is based on many factors, including product quality and reliability, breadth of product range, product design and innovation, manufacturing capabilities, distribution channels, scope and quality and reliability of service, price, customer loyalty and brand recognition. Our primary competitors include a broad range of international, regional and local companies with diverse characteristics. Some of our competitors are focused on sub-markets within targeted industries, while others have greater financial, technical and/or marketing resources than we have, which could enhance their ability to finance acquisitions, fund international growth and/ or respond more quickly to technological changes. Some of our competitors may be able to produce similar or equivalent products at lower costs than we can produce them. We also encounter competition from similar and alternative products, many of which are produced and marketed by major multinational or national companies, which could have a material adverse effect on our business, financial condition and results of operations. Additionally, as we further expand our presence in emerging markets we face competitive price pressures from low-cost producers in jurisdictions such as China, and we expect such price pressures to increase as our customers continue to expand their manufacturing footprints in these markets, thereby providing opportunities for local manufacturers to compete.

In addition, producers that do not currently compete with us could expand their product portfolios to include products that would compete directly with ours. Changes in the product focus of larger producers could also result in such producers establishing relationships with our customers that reduce or replace entirely our business with those customers. Larger producers could also encourage price competition or acquire small producers in an effort to displace smaller producers. In addition, certain large customers to whom we currently sell certain products could decide to compete with us as producers of these products. Any of these developments, alone or in combination, could have a material adverse effect on our business, financial condition and results of operations.

Our inability to identify and adapt to evolving industry trends and preferences and develop new products to meet our customers' demands may adversely affect our business.

Changes in competitive technologies may render certain of our products obsolete or less attractive, and to compete effectively we must be able to develop and produce new products or enhanced versions of existing products to meet our customers' demands in a timely manner. Our ability to anticipate changes in technology and regulatory standards and to successfully develop and introduce new and enhanced products on a timely basis is a significant factor in our ability to remain competitive. For example, one of our strategies for growth is to increase the per-vehicle content that we provide for each program, with a focus on integrating new, high-value technologies and introducing the value-adding features previously limited to premium car segments into low and medium car segments over time. In some cases, the technologies that we plan to employ are not yet widely adopted or are not yet commercially practical, and their success depends upon significant future capital expenditures and technological advances by us and by our suppliers. However, there can be no assurance that we will be able to secure the necessary technological knowledge or capabilities which will allow us to develop our product portfolio in this manner. If we are unable to obtain access to technology in a timely manner, or at all, we may be unable to effectively implement our strategies, and our business and results of operations may be adversely affected. Additionally, we may not be able to secure adequate financing for the capital expenditures required for the research and development of new technologies and products. If we are unable to secure adequate financing, or financing in time on commercially acceptable terms, or at all, we may be forced to curtail our product development programs, and our business, financial conditions and results of operations may be materially and adversely affected. We are also subject to the risks generally associated with new product introductions and applications, including lack of market acceptance, delays in product development and failure of products to operate properly.

We could also face severe competition for potential future revenue streams if our competitors are able to patent certain innovations before we can do so. We may have to procure a license for the technology, which may not be available on reasonable terms, if at all, and may significantly increase our operating expenses or may require us to restrict our business activities in one or more respects. As a result, we may also be required to develop alternative non-infringing technology, which could require significant effort and expense. If we fail to develop sufficient revenue streams covered by adequately robust intellectual property rights, we could lose market share and revenues to competitors. Any of these developments, alone or in combination, could have a material adverse effect on our business, financial condition and results of operations.

Furthermore, we may not be able to install and commission the equipment needed to manufacture products for our customers' new product programs in time for the start of their production, and the transitioning of our manufacturing facilities and resources to full production under new product programs could adversely impact production rates or other operational efficiency measures at our facilities. In addition, our customers may not execute on schedule the launch of their new product programs for which we supply products. Our failure to successfully develop and manufacture new products, or a failure by our customers to successfully launch their new programs on schedule, could adversely affect our business, financial condition and results of operations.

Any disruption of the operations of our manufacturing, design, engineering and other facilities could materially and adversely affect our business, financial condition and results of operations.

We have manufacturing facilities and design and engineering centers in India, China, Hungary, Japan, South Korea, Mexico, Spain and so on. We could experience disruptions to our manufacturing, design and engineering capabilities for a variety of reasons, including, among others, extreme weather, fire, theft, system failures, natural catastrophes, mechanical or equipment failures and similar events. Any such disruptions could affect our ability to design, manufacture and sell our products and, if any of these events were to occur, there can be no assurance that we would be able to shift our design, engineering or manufacturing operations to alternate sites in a timely manner or at all, and our business, financial condition and results of operations could be materially and adversely affected.

The Company does not own all its premises from which it operates and continuous and uninterrupted use and possession of such premises are subject to certain conditions as per the lease agreements.

The Company does not own all the premises and operates from leased premises. The lease agreements are renewable as per the terms of the lease agreements, details of which are provided under the heading "*Properties*" included in the section titled "***Business***" on page 143 of this Placement Document. If the owner of such premises does not renew the agreements under which the Company occupies the premises or renew such agreements on terms and conditions that are unfavourable to the Company, we may suffer a disruption in its operations or an impact on our financial condition, which could in turn have a material adverse effect on its business. Further, some of the lease agreements with certain authorities include restrictive covenants requiring our Company to obtain prior written consent before effecting any change or attempting to make any change to its constitution documents or its capital structure. While there are currently no unresolved proceedings before, nor any pending notices issued by, such authorities and the Company continues to engage with such authorities, there could be instances of non-compliance of certain terms of the lease deeds leading to termination of such leases. Such termination could result in disruption of business operations which may have an material impact on the business and financial performance of our Company.

We depend on our suppliers, some of whom are our competitors, for the supply of raw materials and components that are critical to our manufacturing processes.

While we source our raw materials from a diversified group of global, national and local suppliers, we are still subject to supplier concentration with respect to certain of our key inputs. As a percentage of total revenues, cost of materials consumed represented 60.3% for the three months ended June 30, 2016 and 59.8% for the Financial Year ended March 31, 2016. We believe that we have an adequately diversified supplier base, but we cannot guarantee that we will be able to procure sufficient substitute supply in the event of a loss of one or more of our major suppliers.

Certain of our products use components that are only available from a limited number of suppliers, some of which are our competitors. Any disruption in the manufacturing process or supply from key suppliers could adversely affect our ability to deliver our products. In some cases, we purchase parts for specific feature content sub-assemblies or modules from OEM-directed sources. Although our OEM customers could exert influence over our suppliers to ensure that supplies of critical parts are not disrupted, and we do not expect our suppliers to voluntarily discontinue their supply to us, we cannot provide any assurance that these OEMs will, in fact, exert such influence and that we will maintain an orderly supply of key inputs.

Our suppliers may also experience financial difficulty in light of conditions in the credit markets and the overall economy. Ongoing economic uncertainty has adversely affected our suppliers' access to capital and liquidity, and these pressures continue to affect the industry. Our suppliers could become insolvent or be otherwise unable to provide their services to us on a timely basis, or at all. In such a scenario, we would have to find alternative suppliers or source alternative materials or components, and there is no assurance that we would be able to do so in a timely or cost-effective manner, or at all. Even if we are successful in engaging alternative suppliers for our materials or components, it is possible that these suppliers will lack adequate quality controls and that the products sourced from these suppliers will be of a lesser quality. If the components or materials sourced from alternative suppliers fail to meet the quality requirements of our OEM customers, our brand, reputation and customer relationships may be detrimentally impacted, and our business, financial condition and results of operations may be materially and adversely affected.

Our production could also be adversely affected by any quality or reliability issues with any of our component suppliers. If we receive low-quality or defective components or raw materials, this may delay our production or lower the quality of our finished products. Any such delays or quality defects may affect our relationship with our customers and result in a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

A loss of suppliers or interruptions in the delivery of raw materials could adversely affect our results of operations and cash flows.

The length of time for which we enter into supply contracts usually depends upon the time period of the expected demand for the vehicle model for which we are purchasing supplies. We cannot assure you that we would be able to accurately estimate the time period for which our supply contracts for particular supplies will need to be in existence. Further, there can be no assurance that strong demand, capacity limitations or other problems experienced by our suppliers will not result in shortages or delays in their supplies to us or their unwillingness to enter into contracts for the requested term. If we were to experience a significant or prolonged shortage of supplies from any of our suppliers, and were unable to procure the supplies from other sources, we would be unable to meet our production schedules for some of our key products and to supply such products to our customers in a timely fashion, which would adversely affect our business, financial condition and results of operations.

Volatility in the prices of raw materials or pre-constructed components on which we rely could adversely affect our results of operations and cash flows.

Prices of certain raw materials and pre-constructed components we rely on, such as copper, resins (acrylonitrile butadiene styrene ("**ABS**") and polypropylene) and metal parts (mainly aluminium and zinc), are linked to commodity markets and thus subject to fluctuation. While the price for aluminium and zinc have remained relatively stable over the past three fiscal years, the prices of ABS and polypropylene have declined in the past two years on account of falling raw material prices. There can be no assurance that the markets for these products will not develop volatility in the future. In addition, supply shortages or delays in deliveries of raw materials or component parts can also result in increased costs. Certain of our customer contracts, which typically factor in supply cost at the time at which the contract is entered into, and subsequently when it is extended or renewed, allow for the pass-through of materials cost increases. For instance, certain of our supplier sources are directed by our OEM customers. In cases where a supplier is directed by the OEM, our contracts typically include provisions allowing for the pass-through of raw materials price increases to the customer. In cases where we have independently chosen our suppliers, our ability to adjust pricing terms with customers varies based on our specific customer relationships, market practice with respect to the particular raw material or component and other factors, and as a result, we may in some instances bear the risk of price increases that occur during the balance of the term of the particular customer contract.

We generally do not enter into forward contracts as a means of hedging our exposure to fluctuations in the price of our production inputs and operating expenses. Although we seek to enter into negotiations with our customers to increase the sale prices of our products to account for increases in such costs, there can be no assurance that we will be successful in such negotiations or that any agreed price increase will fully cover the increase in such costs. Our inability to adequately adjust our customer pricing in response to increases in prices of raw materials or pre-constructed components in a timely manner, or at all, could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

Increases in the price or inadequate supply of energy and other input materials may adversely affect our results of operations and cash flows.

Electricity, water and fuel accounts for a significant portion of the cost for a number of activities connected with our business. Energy related inputs like electricity and fuel are also used in transportation of raw materials and finished products and operation of our production facilities. For the Financial Year ended March 31, 2016, electricity, water and fuel and freight and forwarding costs amounted to 1.7% and 1.2% of our total revenue, respectively. Energy prices, particularly for petroleum-based sources, are volatile and an increase in energy prices could lead to an increase in transportation costs for us and our suppliers and customers as well as increasing the cost of operating our production facilities. Any such increase in costs could decrease our margins if we are unable to increase our product prices enough to offset these increased costs. Such energy cost increases and margin erosion could have an adverse effect on our results of operations and cash flows. If supply is not available for any reason, we will need to rely on alternative sources, which may not be able to consistently meet our requirements. The cost of electricity purchased from alternative sources could be significantly higher, thereby adversely affecting our cost of production and profitability. Further, if for any reason sufficient electricity is not available, we may need to shut down our plants until an adequate supply of electricity is restored.

Our business could be adversely affected by any delays or increased costs resulting from issues that our common carriers may face in transporting our raw materials, components or finished products.

We rely on a variety of common carriers to transport our raw materials and components from our suppliers to us, and to transport our products from us to our customers. Problems suffered by any of these common carriers, whether due to a natural disaster, labor problems, increased energy prices, inadequacies in transport infrastructure, or any other issue, could result in shipping delays, supply chain disruptions and increased costs, and could therefore have a material adverse effect on our operations. For example, many of our customer contracts provide that we must expedite shipping at our own expense if we fail to meet our contractual obligations on time.

Moreover, many of the products we produce are bulky and difficult to efficiently pack and transport over long distances and our customers often demand just-in-time and just-in-sequence component deliveries. As a result, we rely on the close proximity of our facilities to OEM plants to minimize the freight costs associated with transporting our products. To the extent we are forced to transport our products over long distances to customer sites, we separately negotiate freight prices with our customers based on our transportation and logistics costs. Any failure to pass through these increased transportation costs to our customers, or any increase in delivery lead times resulting from long-distance transport of our products, could adversely affect our business, financial condition and results of operations.

Damage to our image and reputation or any of our customers' image and reputation could have a material adverse effect on our results of operations.

Our business depends to a significant extent on our customers' trust in our reputation as a reliable supplier, in our ability to support our customers geographically and in our ability to meet our customers' key performance targets. The maintenance, protection and ongoing customer perception of our reputation as a reliable supplier, as well as our ability to enter new geographic markets and sell new products, are therefore critical for our future success. In addition, our products are subject to express and implied warranty claims. We cannot assure you that we will be successful in maintaining or reducing the historical level of warranty claims or that claims in relation to our products will not increase significantly. Actual or alleged instances of inferior product quality or of damage caused or allegedly caused by our products, could damage our reputation and brand and could lead to new or existing customers becoming less willing to conduct business with us. In addition, events or allegations of malfunctioning products could lead to legal claims against us, and we could incur substantial legal fees and other costs in defending such legal claims. The materialization of any of these risks, alone or in combination, could damage our reputation and could have a material adverse effect on our business, financial condition and results of operations.

Legal or regulatory claims or investigations against us could have a material adverse effect on our financial position.

From time to time, we may become involved in legal or regulatory proceedings, claims or investigations, including by governmental bodies, anti-trust regulatory authorities, customers, suppliers, former employees, class action plaintiffs and others. On an on-going basis, we attempt to assess the likelihood of any adverse judgments or outcomes to these proceedings or claims, although it is difficult to predict final outcomes with any degree of certainty.

On May 3, 2016, SMR Automotive Systems USA, Inc. ("**SMRAS**"), one of our U.S.-based subsidiaries (in which we hold our interest through SMR Automotive Mirror International USA Inc.), received a grand jury subpoena from the United States Department of Justice, Antitrust Division (the "**DOJ**"), seeking certain documents from SMRAS and its affiliates, relating to possible violations of federal anti-trust regulations in the sale of automotive mirrors. The information requested by the grand jury is from January 1, 2008, which predates our acquisition of SMRAS on March 6, 2009. SMRAS submitted the requested documents to the DOJ on August 9, 2016 and has fully cooperated with the DOJ. The investigation may continue for an extended period of time. For details, see "***Legal Proceedings***" on page 217 of this Placement Document.

We do not believe that any of the proceedings or claims to which we are party will result in costs, charges or liabilities that will have a material adverse effect on our financial position. However, we cannot assure you that the costs, charges and liabilities associated with these matters will not be material, or that those costs, charges and liabilities will not exceed any amounts reserved for them in our Financial Statements. In future periods, we could be subject to cash costs or non-cash charges to earnings if any of these matters are resolved unfavorably to us.

We are required to obtain and maintain quality and product certifications for certain markets and customers.

In some countries, certain certifications for products with regard to specifications and quality standards are necessary or preferred in order for these products to be accepted by customers and markets. As such, we need to be able to obtain and maintain the relevant certifications so that our customers are able to sell their products, which include components that are manufactured by us, in these countries. For example, some countries or markets, such as the U.S., mandate the field of view that must be reflected from a rear view vision system and may require the inclusion of certain warning labels indicating that the field of view has been altered. In addition, some customers also require us to maintain certain standards and conduct inspections at regular intervals to ensure we maintain these standards. We are materially compliant with each of these certifications in the relevant jurisdictions and have not had any such certification revoked in the past. However, any failure to meet or maintain the requirements needed to secure or renew such certifications could result in a material adverse effect on our business, prospects and results of operations.

The discontinuation of, the loss of business with respect to, or lack of commercial success of, a particular vehicle model for which we are a significant supplier could affect our business and results of operations.

Our supply contracts typically provide for the supply of our products for a specified time period, typically ranging from five to seven years for a particular vehicle model and assembly plant. Contracts that are subject to a mid-cycle refresh action, as is common in the case of certain products including bumpers, may range from three to four years. Additionally, our purchase orders and purchase agreements with OEMs do not provide for any compensation if there is any shortfall in demand for the relevant vehicle model being manufactured leading to a consequent reduction in the demand for our products. We may be unable to mitigate the impact of any of the foregoing as it could be difficult to allocate the resulting available capacity in an efficient manner as a result of the manufacturing facility and tooling customization that can be required for a particular product. As a result, the discontinuation of, loss of business with respect to, lack of commercial success of or fluctuations in demand for a particular vehicle model for which we are a significant supplier could reduce our sales and affect our estimates of anticipated sales, which could have an adverse effect on our business, prospects, results of operations, cash flows and financial condition.

Our customers do not commit to firm scheduled product supply requirements more than one month in advance, and in some cases commit to firm call-off requirements with as little as a few days' notice, or even a few hours in the case of sequenced just-in-time delivery, which subjects us to risks as is customary in the industry we operate in. Customers may change actual production quantities or postpone production for a number of reasons, including developmental delays or changes in consumer demand. The volume and timing of sales to our customers may vary due to variation in demand for our customers' products, our customers' attempts to manage their inventory, design changes and changes in our customers' manufacturing strategy. Accordingly, we continue to experience reduced lead-times in customer orders. Our inability to forecast the level of customer orders with certainty influences the way we set up our business, schedule production and maximize utilization of manufacturing capacity. We may be required to incur additional personnel expenses and other expenses in order to meet the anticipated demand of our customers. Where such anticipated orders fail to materialize or delivery schedules are deferred as a result of changes in our customers' business needs, our results of operations may be adversely affected. On other occasions, our customers have required a rapid increase in production, which has placed an excessive burden on our resources and caused a material increase in costs, which include the costs of expedited shipping if we would otherwise fail to meet our customers' schedules. We have experienced customer order fluctuations and deferrals in the past, and we may experience such fluctuations or deferrals in the future.

We typically commit to order raw materials and pre-constructed components from our own suppliers based on customer recommendations, forecasts and orders. Cancellation by customers or any delay or reduction in their orders can result in a mismatch between the inventory of pre-constructed components and raw materials and the manufactured product that we hold, and could result in excess inventory and increased working capital, pending sales of such products. This could have an adverse effect on the orderly management of our inventory, and could adversely affect our operating cash flow and financial position.

The acquisition of other companies, businesses or technologies could result in operating difficulties, dilution and other adverse consequences.

As part of our growth strategy, we, from time to time, pursue acquisitions to expand our business. We cannot assure you that we will be able to identify suitable acquisition, strategic investment or joint venture opportunities at acceptable cost and on commercially reasonable terms, obtain the financing necessary to complete and support such acquisitions or investments, integrate such businesses or investments or that any business acquired or investment made will be profitable. If we attempt to acquire companies outside of India, we may not be able to satisfy certain Indian regulatory requirements for such acquisitions and may need prior approval from the Reserve Bank of India (**RBI**) which we may not be able to obtain in time or at all. In addition, acquisitions and investments involve a number of risks, including possible adverse effects on our operating results, diversion of management's attention, failure to retain key personnel, currency risks, risks associated with unanticipated events or liabilities, possible contravention of applicable laws in relation to investment and transfer of shareholding, including any pre-emptive rights of existing shareholders of such entities and difficulties in the assimilation of the operations, technologies, systems, services and products of the acquired businesses or investments, as well as other economic, political and regulatory risks. Any failure to achieve successful integration of such acquisitions or investments could have a material adverse effect on our business, financial condition and results of operations. Future acquisitions could result in potentially dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities or amortization expenses, or write-offs of goodwill, any of which could harm our financial condition and may have an adverse impact on the price of our Equity Shares.

We have experienced significant growth in recent years and could make investments and acquisitions in the future that involve considerable integration costs, and we may be unable to sustain, manage or realize the expected benefits of such growth or may not be able to fund that growth.

We have experienced a significant increase in the size and scope of our operations and production facilities, including with respect to our operations. Our growth strategy will require significant capital expenditures, which we intend to fund through a combination of cash flow from operations and financing sources. Further expansion and acquisitions may require us to incur or assume new debt, or expose us to future funding obligations or integration risks, and we cannot assure you that such expansion or acquisitions will contribute to our profitability. While we believe that our current and projected liquidity will be sufficient to meet our working capital needs and support our growth strategy, it is possible that we may not generate sufficient cash flow from operations or investments and that future borrowings may not be available to us on favorable terms or in an amount sufficient to enable us to realize our growth strategy. Furthermore, our future growth is dependent on our success in making the right investments at the right time to support product development and manufacturing capacity in areas where we can support our customer base. We anticipate substantial growth from China, the Americas and selected regions in Europe, and accordingly, have made and expect to continue to make substantial investments, both directly and through participation in various partnerships and joint ventures, in numerous manufacturing operations, technical centers and other infrastructure to support anticipated growth in those regions. If we are unable to deepen existing and develop additional customer relationships in these regions, we may not only fail to realize expected rates of return on our existing investments, but we may incur losses on such investments and be unable to timely redeploy the invested capital to take advantage of other markets, potentially resulting in lost market share to our competitors. The success of our strategy also depends in large part on the continued growth and stable economic conditions in these target markets. Recent periods of weaker than expected growth and industrial output in China and Brazil highlight the risk of future economic downturn in these countries and in the broader global economy. Any of these challenges, and the failure or delay by our management in responding to them, could have a material adverse effect on our business, financial condition and results of operations.

In addition, any investment in additional capacity or in a joint venture, or the acquisition of new licenses, technologies or companies by us in the future, could result in the incurrence of debt and contingent liabilities (as well as unanticipated costs and expenses associated with any undisclosed and/or potential liabilities) and an increase in interest expense, or in our use of available cash on hand to finance any such investment. This could have an adverse impact on our cash flows in the longer term and our ability to finance our overall operations. Any of these events, alone or in combination, could have a material adverse effect on our business, financial condition and results of operations. We may also engage in divestitures, which involve risks, including difficulties in the separation of operations, services, products and personnel, the diversion of management's attention from other business concerns, the disruption of our business, the potential loss of key employees and the retention of uncertain environmental or other contingent liabilities related to the divested business. We also cannot assure you that we will be successful in managing these or any other significant risks that we encounter in divesting a business or product line.

Our business, results of operations, cash flows and financial condition may be significantly impacted by any reorganization or restructurings in the future.

Our Board had formed a Committee of Directors (Strategic Business Matters) on January 31, 2014. This Committee is empowered to evaluate, *inter alia,* proposals on reorganization or restructurings, in the best interests of our Company, its business and its shareholders. Disclosures in this regard have been made by our Company with the Stock Exchanges. The Committee shall continue to routinely examine such proposals which may be considered for the near or distant future. While our Company will duly take into consideration all necessary compliances under applicable law, in the event our Company undertakes any such reorganization or restructurings in the future, at the level of our Company or the Group, it may have a significant impact on our business, results of operations, cash flows and financial condition.

Our estimates of production volume we produce may not correspond to actual demand for our products.

Our growth strategy is based on medium and longer term forecasts. Although medium and longer term forecasts are made using available industry data such as economic output statistics, OEM production volumes and close customer dialogue, they do not guarantee that demand for our products will develop in line with such forecasts. In addition, regardless of the accuracy of such indicators, factors outside our control may require revision of our forecasts. If we over-estimate the volume of products we expect to sell, we will have excess production capacity which would likely reduce the efficiency of production and the margins on the products sold. If we under-estimate the volume of products we need to produce at any of our sites or fail to order a sufficient volume of supplies and input materials from our third-party suppliers, we may be unable to meet customer orders. Failure to meet customer orders may occur because existing facilities and planned additions of space, machinery, molds or other equipment do not have sufficient capacity, or we are unable to source suitable additional capacity, or we have the wrong level of inventory holding or because the costs of transporting goods from one site to another would be uneconomical.

Start-up costs and inefficiencies related to new products or programs can adversely affect our operating results and such costs may not be fully recoverable if new programs are cancelled.

New programs that customers award us often entail material start-up costs with respect to the design, development and testing of the products to match the customer's specifications, as well as establishing additional production lines or new facilities where required. If we are unable to recoup start-up costs, manage our labor and equipment resources effectively in connection with the establishment of new programs and new customer relationships, or to correctly estimate required resources, our gross margins and operating results could be adversely affected. These factors are particularly evident in the early stages of the life cycle of new products and new programs and in the opening of new facilities. These factors also affect our ability to efficiently use labor and equipment. In addition, if any of these new programs or new customer relationships were terminated or our existing customers shift their base of operations to a location where we do not have a manufacturing facility, our operating results could be adversely affected, particularly in the short term. We may not be able to adequately recover these start-up costs or replace anticipated revenues from any such new products or programs, which could adversely affect our business and financial condition.

A decline in the financial condition of OEMs or other customers or suppliers could have a material adverse effect on our business, financial condition and results of operations.

The financial condition of our OEM customers is affected by the sales of their vehicles to their respective customers, which may be impacted by several factors, including general economic conditions. In particular, purchases of our customers' products may be limited by their customers' inability to obtain adequate financing for such purchases. Any material weakening of the sales of our material customers could directly impact our business, financial condition and results of operations due to the potential postponement or cancellation of their planned purchases or the potential delay of their designs of new platforms.

In addition, significantly lower global production levels, tightened liquidity and increased cost of capital have historically combined to cause financial distress among many OEMs and other customers and suppliers in the automotive industry and could have similar impact in the future. For instance, during the economic downturn, OEMs and other customers and suppliers in the automotive industry suffered from declines in sales and production, which, together with structural issues specific to a number of these companies (such as significant overcapacity and pension and healthcare costs), caused certain of these companies to undergo restructurings. Any similar decline in the creditworthiness of our customers in the future could result in an increased default risk with respect to our trade receivables and there can be no assurance that any financial arrangements provided to these companies, or even a successful reorganization of such companies through bankruptcy, will guarantee their continued viability. Any such increase in default risk or decline in the financial condition of our OEM customers and our suppliers could have a material adverse effect on our business, financial condition and results of operations.

Our diverse and complex global operations subject us to risks in multiple countries that could adversely affect our business.

We currently manufacture and distribute our products and services and have a presence in 25 countries across North America, South America, Europe, South Africa, Middle East and Asia, and derived more than 86% of our consolidated revenue generated from international operations as of June 30, 2016. Our future revenue growth depends upon the successful operation of our manufacturing facilities, the efficiency of our delivery and distribution system and the successful management of our sales, marketing, support and service teams through direct and indirect channels in various countries around the world where our current or potential OEM customers are located. The expansion of our business has required, and we expect will continue to require, that we establish new offices, manufacturing facilities, hire new personnel and manage businesses in widely disparate locations with different economies, legal systems, languages and cultures. In addition, we are affected by various factors inherent in carrying out business operations on an international scale, such as:

- coordinating and managing global operations;
- political instability and related uncertainties;
- different economic and business conditions;
- difficulties in staffing and managing foreign operations, including coordinating and interacting with our local representatives and partners to fully understand local business and regulatory requirements;
- immigration and labor laws, which may prevent us from deploying or retaining an adequate number of employees in foreign countries;
- compliance with anti-corruption and anti-bribery laws;
- foreign currency exchange rate fluctuations;
- varying and possibly overlapping tax regimes, including the risk that the countries in which we operate will impose taxes on inter-company relationships;
- exposure to different legal standards and enforcement mechanisms, including differing creditors' rights and insolvency regimes;
- restrictions on repatriation of earnings;

- tariffs and other restrictions on trade and differing import and export licensing and other legal requirements;
- compliance with increasingly strict environmental regulations, including the regulation of greenhouse gas emissions and its effect on our operations and those of our OEM customers;
- maintaining stable and reliable transportation infrastructure;
- limited protection for intellectual property rights in some countries; and
- other regulatory changes affecting our business and the automotive industry in general.

In addition, we are required to obtain various licenses, permits and approvals for our operations, in these jurisdictions, including but not limited to, environmental permits, emissions licenses and permits and other business licenses. Failure to obtain and maintain any licenses, permits and approvals necessary to operate our business may have a material adverse effect on our business and operations. Furthermore, our government approvals and licenses are subject to numerous conditions, some of which are onerous and require us to undertake substantial compliance-related expenditure. Changes in laws and regulations, more stringent enforcement or alternative interpretation of existing laws and regulations in jurisdictions in which we currently operate can change the legal and regulatory environment, making compliance with all applicable laws and regulations more challenging. In addition, in certain of the jurisdictions in which we operate, regulatory authorities exercise considerable discretion in matters of enforcement and interpretation of applicable laws, regulations and standards. The growth in size or scope of our business, expansion of our footprint in existing regions in which we operate and entry into new geographies also will expose us to regulatory regimes with which we have no prior direct experience and expansion into new product areas could lead to our becoming subject to additional or different laws and regulations.

Among other things, such legal and regulatory changes could affect our financial, accounting, control, sales, and development functions. Changes in laws and regulations in the future could have an adverse economic impact on us by tightening restrictions, reducing our freedom to do business, increasing our costs of doing business, or reducing our profitability. Failure to comply with applicable laws or regulations can lead to civil, administrative or criminal penalties, including but not limited to fines or the revocation of permits and licenses that may be necessary for our business activities. We could also be required to pay damages or civil judgments in respect of third-party claims, including those relating to personal injury or property damage. Any of these developments, alone or in combination, could have a material adverse effect on our business, financial condition and results of operations.

Any inability to manage our growing international business may materially and adversely affect our financial condition and results of operations.

Our growth strategy relies on the expansion of our operations by introducing certain automotive products in markets outside India, including Europe, the U.S., Japan, China, Brazil and Mexico and other parts of Asia. The costs associated with entering and establishing ourselves in new markets, and expanding such operations, may be higher than expected, and we may face significant competition in those regions. In addition, our international business is subject to many actual and potential risks and challenges, including language barriers, cultural differences and other difficulties in staffing and managing overseas operations, inherent difficulties and delays in contract enforcement and the collection of receivables under the legal systems of some foreign countries, the risk of non-tariff barriers, other restrictions on foreign trade or investment sanctions, and the burdens of complying with a wide variety of foreign laws, rules and regulations. As part of our global activities, we may engage with third-party dealers and distributors which we do not control but which nevertheless take actions that could have a material adverse impact on our reputation and business. In addition, we cannot assure you that we will not be held responsible for any activities undertaken by such dealers and distributors. If we are unable to manage risks related to our expansion and growth in other parts of the world, our business, financial condition and results of operations could be materially and adversely affected.

We are exposed to risks associated with foreign exchange rate fluctuations and hedging.

The majority of our costs and incomes are denominated in local currencies, providing a "natural hedge" against currency exchange fluctuations, and some of our contracts with OEMs allow for price adjustments in the event of unfavorable currency exchange rate developments. Nevertheless, our global footprint exposes us to certain currency exchange risks, arising primarily from the import of raw materials for certain of our operations and our non-euro-denominated borrowings. We generally do not enter into forward exchange contracts or other derivative instruments to hedge these risks, as we do not consider the exposures from sales or purchases or the costs relating to raw materials in currencies other than Indian Rupees to be material to our business. See Note 2.10 to our Financial Statements as of and for the Financial Year ended March 31, 2016 included elsewhere in this Placement Document. There can be no guarantee that such fluctuations will not affect our financial performance in the future as we continue to expand our operations globally, particularly in emerging markets where the risk of currency volatility is higher.

Furthermore, we generally do not engage in currency hedging on our non-Indian Rupee-denominated loans, and are also exposed to foreign currency risk on the translation of receivables, bank balances and borrowings. The realization of any of these risks could have a material adverse impact on our financial condition and results of operations.

Our continued operations are critical to our business and any shutdown of our manufacturing facilities may have an adverse effect on our business, results of operations and financial condition.

Our manufacturing facilities are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of efficiency, obsolescence, labor disputes, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. In certain circumstances, the operational risk posed by the foregoing factors is heightened as a result of our "just-in-time" and "just-in-sequence" delivery operations; which are typically less able to absorb delays. The assembly lines of our OEM customers rely significantly on the timely delivery of our components and our ability to provide an uninterrupted supply of our products is critical to our business. In addition, certain of our customers impose significant penalties on component manufacturers like us for any stoppage in any assembly line, caused either by delayed delivery of a component or a defect in the components delivered. Our business and financial results may be adversely affected by any disruption of operations of our product lines, including as a result of any of the factors mentioned above.

Natural or man-made disasters and other events outside our control, and the ineffective management of the effects of such events, may affect our business.

Some of our facilities are located in areas that may be impacted by natural disasters such as hurricanes, earthquakes, water shortages, tsunamis and floods. In addition, our facilities are subject to other natural or man-made disasters such as fires, acts of terrorism, failures of utilities and epidemics. If any such event were to occur, our business could be affected due to the event itself or due to our inability to effectively manage the effects of the particular event. Potential effects include the loss of business continuity, the loss of business data, and damage to infrastructure. For example, in September and October 2013, SMP experienced unscheduled downtime as a result of a fire at its paint facility in Polinyà, Spain. SMP filed a claim with its insurance providers to cover losses related to both business interruption and property damage and settled the claim during the fiscal year ended March 31, 2016. In 2015, city of Chennai was heavily hit by rainfall and flooding, which adversely affected and halted our production and operations at our manufacturing plants in Chennai.

In addition, some of our facilities possess certifications necessary to work on specialized products that our other locations lack. If work is disrupted at one of these facilities due to the occurrence of any such event, it may be impractical or impossible to transfer such specialized work to another facility without significant costs and delays. Thus, any disruption in operations at a facility possessing specialized certifications could adversely affect our ability to provide products and services to our customers, and thus could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

Any delay in the implementation or failure in the operation of our information systems could disrupt our operations and cause an unanticipated increase in costs.

We have implemented various information technology ("**IT**") solutions to cover key areas of our operations. For instance, we have implemented systems to consolidate data and other key performance parameters at the regional and corporate levels. Other significant IT solutions include systems designed to provide data security and to allow for collaboration of information across the network, as well as supply chain solutions to cover critical processes in relation to customers and suppliers across our manufacturing facilities. Any delay in the implementation or failure in the operation of these information systems could result in material adverse consequences, including disruption of operations, loss of information and an unanticipated increase in costs.

Further, these systems are potentially vulnerable to damage or interruption from a variety of sources, which could result in a material adverse effect on our operations. A large-scale IT malfunction could disrupt our business or lead to disclosure of sensitive company information. Our ability to keep our business operating depends on the proper and efficient operation and functioning of various IT systems, which are susceptible to malfunctions and interruptions (including those due to equipment damage, power outages, computer viruses and a range of other hardware, software and network problems). A significant or large-scale malfunction or interruption of one or more of our IT systems could adversely affect our ability to keep our operations running efficiently and affect product availability, particularly in the country, region or functional area in which the malfunction occurs, and wider or sustained disruption to our business cannot be excluded. In addition, it is possible that a malfunction of our data system security measures could enable unauthorized persons to access sensitive business data, including information relating to our intellectual property or business strategy or those of our customers. Such malfunction or disruptions could cause economic losses for which we could be held liable. A failure of our information technology systems could also cause damage to our reputation which could harm our business. Any of these developments, alone or in combination, could have a material adverse effect on our business, financial condition and results of operations.

Increasing labor costs or labour unrest in various jurisdictions in which we operate may adversely affect us.

Increasing labor costs or labour unrest in countries in which we operate such as India, China, Brazil and Mexico may erode our profit margins and compromise our price competitiveness. Historically, the low cost of labor in India, China, Brazil and Mexico had increased our margins, but recent wage increases have increased average wage expenses per employee. We undertake various incentive programs to improve the productivity of our employees, as well as low-cost automation initiatives designed to reduce labor costs. However, if these measures are insufficient to offset increases in overhead costs, or if we are unable to effectively manage these increases in the future, our business, financial condition and results of operations may be adversely affected.

In general, we consider our labor relations with all of our employees to be amicable. However, in the future, we may be subject to labor unrest, which may delay or disrupt our operations in the affected regions, including the acquisition of raw materials and parts, the manufacture, sales and distribution of products and the provision of services. If work stoppages or lock-outs at our facilities or at the facilities of our major vendors occur or continue for a long period of time, our business, financial condition and results of operations could be materially and adversely affected.

Employee misconduct could harm us and is difficult to detect and deter.

Although we have a committee in place dedicated to monitoring fraud, data theft or other misconduct of employees, we run the risk that such employee misconduct could occur. Misconduct by employees or executives could include binding us to transactions that exceed authorized limits or present unacceptable risks or hiding unauthorized or unlawful activities from us, which may result in substantial financial losses and damage to our reputation and loss of business from our customers. Employee or executive misconduct could also involve the improper use or disclosure of confidential information, which could result in regulatory sanctions and serious reputational or financial harm, including harm to our brand. It is not always possible to deter employee or executive misconduct and the precautions taken and systems put in place to prevent and detect such activities may not be effective in all cases. Any instances of such misconduct could adversely affect our reputation.

We rely upon contract labor to carry out some of the activities at our manufacturing facilities, and any shortage of such contract labor or work stoppages caused by disagreements with independent labor contractors could adversely affect our business, financial condition and results of operations.

In order to retain flexibility, we enter into contracts with contractors to complete specified assignments in our facilities related primarily to manufacturing and logistics activities, and these contractors are required to source the labor necessary to complete such assignments. As of March 31, 2016, 56.6% of our total workforce was comprised of independent contract or leased labor. Any shortage of such contract labor or any work stoppages caused by disagreements with independent contractors could have a material adverse effect on our business, financial condition and results of operations. Although we do not engage these laborers directly, we may be held responsible for any wage payments to be made to such laborers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and financial condition.

Agreements with unions or works councils could reduce our ability to manage our cost base and cause labor unrest or work stoppages at our facilities.

We may enter into agreements with unions or works councils under which we incur certain obligations or agree to certain limitations or conditions for a period of time with respect to certain personnel, workplaces, departments or product lines. If a greater percentage of our work force became unionized, our labor costs could increase. In addition, our collective bargaining agreements are subject to renegotiation with the unions from time to time and it is possible that employees could argue for arrangements that could cause us to incur higher employment costs. Such agreements or arrangements could limit our ability to adjust workforce headcounts or salaries or to restructure our business in response to difficult economic conditions. This reduced flexibility could have a material adverse effect on our business, financial condition and results of operations.

In addition, since a significant portion of our workforce is unionized or otherwise party to collective bargaining agreements, we could face strikes or other industrial action, and such negative developments in labor relations could have a material adverse effect on our business. We regularly negotiate wages and salaries on terms that have historically allowed us to offer services at competitive prices. Any appreciable increase in the negotiated minimum wage of our workforce could result in an increase in our labor costs and such cost increase could adversely affect our financial performance.

Labor unrest or work stoppages could affect operations regardless of whether the workforce is unionized or subject to a collective bargaining arrangement. If a strike or other action by labor were to cause a work stoppage or other slowdown at one or more of our production facilities, we could experience a significant disruption of our operations and could have to pay penalties for late delivery of our products. Labor unrest or strikes associated with our operations could also damage our reputation with customers or in the market generally. In addition, any such developments at the facilities of any of our principal customers or suppliers could adversely affect our business. Any of these developments, alone or in combination, could have a material adverse effect on our business, financial condition and results of operations.

We depend on our Promoters, senior management, executive officers, key employees and skilled personnel, and if we are unable to recruit and retain skilled management personnel, our business and our ability to operate or grow our business could be adversely affected.

Our success depends to a large extent upon the continued services of our Promoters, senior management, executive officers, key employees and other skilled personnel. We could be adversely affected by the loss of any of these Promoters, executive officers and other key employees. The market for such qualified professionals is competitive and we may not continue to be successful in our efforts to attract and retain qualified people. In some of our markets, the specialized skills we require are difficult and time-consuming to acquire and, as a result, are in short supply. We require a long period of time to hire and train replacement personnel when we lose skilled employees. Our inability to hire, train and retain a sufficient number of qualified employees could delay our ability to bring new products or services to the market and impair the success of our operations. This could have a material adverse effect on our business, financial condition and results of operations.

Our success also depends, in part, on key customer relationships forged by members of our Promoters and senior management. If we were to lose these members of senior management we cannot assure you that we will be able to continue to maintain key customer relationships or renew them. If we are unable to retain the Promoters and the members of our senior management, our business, financial condition and results of operations may be adversely affected.

We cannot guarantee that our decentralized structure will not lead to incidents or developments that could damage our reputation, operations or financial condition.

We have a globally decentralized management structure, with separate management functions in each of SMRP B.V., (as well as SMR and SMP), to enable our regional and local managers to quickly and effectively respond to trends in their respective markets. While we maintain strong centralized financial control guided by SMG, substantial independent decision-making functions are retained in each of SMRP B.V., SMR and SMP, and may result in decisions regarding the allocation of resources, contract pricing and other operational matters that are not in the best interests of our combined Group. Additionally, while our regional heads report to the respective divisions' chief executive officer or chief operating officer, our regional and local managers have a certain amount of operational and decision-making flexibility, including the day-to-day management of the product lines, pricing and other sales decisions. We cannot guarantee that our divisional, regional and local management will not take actions or experience problems that could damage our reputation or that could otherwise have a material adverse effect on our combined business, financial condition and results of operations.

We conduct some of our operations through joint ventures over which we may have limited control.

We conduct our business through joint ventures Kyungshin Industrial Motherson Pvt Ltd ("**KIML**"), Calsonic Kansei Motherson Auto Products Pvt. Ltd. ("**CKM**"), Ningbo SMR Huaxiang Automotive Mirrors Co. Limited, Celulosa FAbril ("**Cefa**") S.A and others. In a joint venture arrangement, differences in views among the joint venture participants may result in delayed decisions or in failures to reach agreement on major issues. We and our joint venture partners may, in certain instances, fail to reach agreement on significant decisions on a timely basis, if at all. We also cannot control the actions of our joint venture partners, including any non-performance, default by or bankruptcy of our joint venture partners, and we typically share liability or have joint and/or several liability with our joint venture partners for joint venture matters. Any of these factors could potentially have a material adverse effect on our joint venture operations and the profitability of our joint ventures.

In joint ventures in which we hold a minority interest, we have limited control over many decisions relating to joint venture projects and internal controls relating to such projects. These joint ventures may not be subject to the same requirements regarding internal controls and internal control reporting as apply to us. As a result, internal control issues may arise that could have a material adverse effect on the joint venture. In addition, in order to establish or preserve relationships with our joint venture partners, we may agree to assume risks and contribute resources that are proportionately greater than the returns we expect to receive in the related joint venture. Such agreements may reduce our income and returns on these investments compared to what we would have received if our assumed risks and contributed resources were proportionate to our returns.

The occurrence of any or all of the above may result in a material adverse effect on our business, financial condition and results of operations.

Our business exposes us to potential liabilities that may not be covered by insurance.

Our business is subject to a number of risks that could expose us to substantial liability for personal injury, wrongful death, product liability, property damage, pollution and other environmental damages. Although we have obtained insurance against many of these risks, our insurance may not be adequate to cover our liabilities. Furthermore, there is no assurance that insurance will be generally available in the future or, if available, that the premiums will be commercially justifiable. If we incur substantial liability and the damages are not covered by insurance or exceed policy limits, or if we are not able to obtain liability insurance, our business, financial condition and results of operations could be adversely affected to a material extent. Our insurance is subject to customary deductibles, exclusions and limits which may prevent us from fully recovering our losses.

The success of our newly designed products and other innovations depends in part on our ability to obtain, protect and preserve intellectual property rights to our designs and we cannot assure you that we will develop sufficient new revenue streams to replace revenue streams that may diminish as our current intellectual property rights expire.

We own or otherwise have rights in respect of a number of patents relating to the products we manufacture, which have been obtained over a period of years. Our success and competitive position depends on a combination of trade secrets and other unpatented proprietary know-how, including, in particular, engineering drawings, exclusively licensed- in technologies, data and manufacturing processes and materials expertise. We have developed several proprietary product lines that use technology that we believe is unique to us. In addition, due to the high degree of customization of our technologies, new products and processes may be developed jointly with customers or suppliers. While the terms of these collaborations with customers or suppliers vary, in a limited number of cases, customers and suppliers restrict us from using the developed technology or producing the developed products for competitors for a period of time, while in a limited number of cases we may be prevented from exploiting such technology or product or selling to other customers at any time. Any dispute we may have with our customers regarding the ownership of patents or other forms of intellectual property, could negatively affect our business.

We believe that having a significant level of protected proprietary technology gives us a competitive advantage in marketing our products and services. We therefore try to obtain and protect certain intellectual property rights to our newly designed products and other innovations. For example, as of June 30, 2016, we held approximately 900 patents through our subsidiaries. However, we cannot be certain that the measures that we employ will result in the protection of our intellectual property rights or will result in the prevention of unauthorized use of our proprietary technology. We also rely upon unpatented proprietary know-how and continuing technological innovations and other trade secrets to develop and maintain our competitive position. While it is our policy to enter into confidentiality agreements with our key employees to protect our intellectual property, there can be no assurance that these confidentiality agreements will not be breached or that they will provide meaningful protection for our trade secrets or our proprietary know-how, if at all. In addition, there can be no assurance that other companies will not obtain knowledge of these trade secrets through independent development or other legal means of access. Any failure to protect our proprietary rights relating to our designs, processes, components, technology, trade secrets or proprietary know-how could have a material adverse effect on our business, financial condition and results of operations.

In addition, our existing intellectual property rights are not indefinite and will expire. There can be no assurance that we will develop sufficient revenue streams protected by equivalent rights in the future to replace revenue streams as the relevant intellectual property rights lapse. Furthermore, intellectual property rights can be challenged on the basis of invalidity. Although we typically confirm that our processes do not violate existing intellectual property rights of third parties, we may face claims that our product designs or manufacturing processes infringe third party intellectual property rights. Even though many of our manufacturing services contracts generally require our customers to indemnify us for infringement claims relating to the product specifications and designs, a particular customer may be unwilling or unable to satisfy its indemnity obligations. In addition, we may be responsible for claims that the processes or components that we use in manufacturing infringe third party intellectual property rights. Infringement claims could subject us to significant liability for damages and potentially injunctive action and, regardless of merits, could be time-consuming and expensive to resolve.

While we have selectively pursued trademark protections in India, Europe, the U.S., Japan, China, Brazil and Mexico, in some countries we have not perfected copyright or trademark rights. In addition, we sell our products globally and effective intellectual property protection may not be available or be as robust as in Europe or the U.S. Furthermore, the maintenance of the full range of patent, trademark, utility model and registered design protection available in all relevant jurisdictions is cost-prohibitive. As a result, we may not be able to prevent others from copying our products or from using our trademarks, which could have a material adverse effect on our business, financial condition and results of operations.

Our future success depends on our ability to satisfy changing customer demands by offering innovative products in a timely manner and maintaining such products' competitiveness and quality.

Our competitors may gain significant advantages if they are able to offer products satisfying customer needs earlier than we are able to and this could adversely impact our sales, results of operations and financial condition. Unanticipated delays or cost overruns in implementing new product launches, expansion plans or capacity enhancements could also materially and adversely impact our financial condition and results of operations. Customer preferences, especially in many developed markets, seem to be moving in favor of more fuel efficient and environmentally friendly vehicles. In addition, increased government regulations, as exemplified by a number of initiatives following the emissions incident involving Volkswagen, volatile fuel prices and evolving environment preferences of consumers has brought significant pressure on the automotive industry to reduce carbon dioxide emissions. Our operations may be significantly impacted if we experience delays in developing fuel efficient products that reflect changing customer preferences. In addition, a deterioration in the quality of our automotive parts could force us to incur substantial costs and damage our reputation. There can be no assurance that the market acceptance of our future products will meet our sales expectations, in which case we may be unable to realize the intended economic benefits of our investments and our financial condition and results of operations may be materially and adversely affected.

Private and commercial users of transportation increasingly use modes of transportation other than the automobile. The reasons for this include the rising costs of automotive transport, increasing traffic density in major cities and environmental awareness. Furthermore, the increased use of car-sharing concepts and other innovative mobility initiatives facilitates access to other methods of transport, thereby reducing dependency on the private automobile. A shift in consumer preferences away from private automobiles, and resulting decrease in the size and number of orders from our OEM customers, would also have a material adverse effect on our general business activity and on our sales, prospects, financial condition and results of operations.

Product liability and other civil claims and costs incurred as a result of product recalls could have a material adverse effect on our business, financial condition and results of operations.

We face an inherent business risk of exposure to product liability or recall claims in the event that our products fail to perform as expected or any such failure results, or are alleged to result, in bodily injury or property damage or both. We cannot assure you that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend any such claims.

OEMs have their own policies regarding product recalls and other product liability actions relating to their suppliers. However, while we do not typically accept liability for product recalls in the contracts we negotiate with our customers, as suppliers become more integrally involved in the vehicle design process and assume more vehicle assembly functions, OEMs may seek compensation from their suppliers for contributions when faced with product recalls, product liability or warranty claims. OEMs are also increasingly requiring their outside suppliers to provide warranties for their products and bear the costs of repair and replacement of such products under new vehicle warranties. Depending on the terms under which we supply products, our customers may hold us responsible for some or all of the repair or replacement costs of defective products under new vehicle warranties provided by us or by our customers, when the product supplied does not perform as expected. Such warranties may be enforced against us even in cases where the underlying supply contract has expired. Such events may require us to expend considerable resources in correcting these problems and could adversely affect demand for our products. Any such lawsuits, proceedings and other claims could result in increased costs for us. A successful warranty or product liability claim or costs incurred in a product recall in excess of our available insurance coverage, if any, could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

Although we maintain product liability insurance, we cannot guarantee that our product liability insurance coverage will be adequate under certain circumstances or continue to be available at acceptable terms, including, among other things, the premium payable. As a result of product liability legislation, civil claims may be brought against OEMs, and we may be made parties to such claims in the event that damages may have been caused by any faulty products that we produced. We cannot assure you that such claims will not be brought against us in the future, and any adverse determination could have a material adverse effect on our business, financial condition and results of operations.

Our operations are subject to environmental and health and safety laws and other government regulations which could result in material liabilities in the future.

We are subject to applicable laws and regulations and customer specifications with respect to the protection of the environment and employee health and safety in each of the jurisdictions in which we operate. Our manufacturing processes and products are subject to stringent quality, environmental and occupational health and safety standards with all primary production facilities certified to high standards including ISO 14001, ISO 9001, TS 16949 and OHSAS 16001, where applicable. We are also required to obtain permits from governmental authorities for certain operations.

The nature of our operations involves individuals working under potentially dangerous circumstances or with flammable materials. Our operations are subject to significant hazards, including explosions, fires, mechanical failures and other operational problems, discharges or releases of hazardous substances, chemicals or gases and other environmental risks. Accidents or other incidents that may occur at our facilities or may involve our personnel or visitors or operations could result in claims for damages against us. Such accidents or incidents could do lasting damage to our reputation among customers and the general public, even if we were not actually responsible for causing such damage and no fault on our part has been proven.

A risk of environmental liability is inherent in our manufacturing activities, and we are subject to numerous environmental laws and regulations in the countries in which we operate. Under certain environmental laws, we could be held solely or jointly and severally responsible, regardless of fault, for the remediation of any hazardous substance contamination at our past and present facilities or any consequences arising out of human exposure to such hazardous substances, and could also be held liable for damages to natural resources or other environmental damage. For example, we are subject to Biomedical and Hazardous Waste (Management and Handling) Rules, 1989, imposing certain reporting requirements on companies regarding the use of certain hazardous substances. We are in material compliance with Biomedical and Hazardous Waste (Management and Handling) Rules, 1989. However, we cannot assure that we have been or that we will be at all times in complete compliance with environmental laws, regulations and permits, and the nature of our operations, and the history of industrial uses at some of our facilities, expose us to the risk of liabilities or claims with respect to environmental and worker health and safety matters including with respect to activities conducted prior to our ownership. If we violate or fail to comply with environmental laws, regulations and permits, we could be subject to penalties, fines, restrictions on operations or other sanctions, and our operations could be interrupted or suspended.

Significant changes in laws and governmental regulations could have an adverse effect on our profitability.

The legal, regulatory and industry-standard environment in our principal markets is complex and dynamic, and future changes to the laws, regulations and market practice with regard to, for example, carbon dioxide emissions and safety tests and protocols, could have an adverse effect on the products we produce and on our profitability.

Additionally, we could be adversely affected by changes in tax or other laws that impose additional costs on automobile manufacturers or consumers, or more stringent fuel economy and emissions requirements on manufacturers of sport-utility vehicles, light trucks and other vehicles from which we derive some of our sales.

We face risks relating to the availability of tax deductions.

We are subject to income, withholding, value-added and other sales-based, real property and local taxes and other taxes and duties in various jurisdictions. Our worldwide provision for taxes is based on our judgment (acting reasonably and after considering the relevant information available to us) of tax risk in such jurisdictions which may be challenged by relevant tax authorities. The tax position taken with respect to certain transactions and calculations may be challenged by tax authorities for reasons, including transfer pricing, the availability of deductions for interest expense and other deductible items, the treatment of acquisition, refinancing and reorganization transactions, intercompany funding arrangements, the application and effect of tax "holidays" and the calculation of deferred tax assets and liabilities. Although we believe our tax estimates and provisions are reasonable, there can be no assurance that the final determination of any tax audits or litigation will not be materially different from that which is reflected in historical income tax provisions and accruals. We are subject to tax audits and tax reviews, which, by their nature, are often complex, and can require several years to conclude. The total accrual for income tax in any year is based on the judgment of our management, interpretation of country-specific tax law and the likelihood of crystallization and settlement of any particular tax liability. Amounts provided for in any year could be less than actual tax liabilities, and adjustments may be required in subsequent years that may materially and adversely affect our income statement and/or cash tax payments, and may result in the payment of interest and/or penalties.

Changes in legislation or policies related to tax applicable to us could adversely affect our results of operations.

We are subject to complex tax laws in each of the jurisdictions in which we operate. Changes in tax laws could adversely affect our tax position, including our effective tax rate or tax payments. In addition, European tax laws and regulations are extremely complex and are subject to varying interpretations. We often rely on generally available interpretations of tax laws and regulations in the jurisdictions in which we operate. We cannot be certain that the relevant tax authorities are in agreement with our interpretation of these laws. If our tax positions are challenged by relevant tax authorities, the imposition of additional taxes could require us to pay taxes that we currently do not collect or pay or increase the costs of our products or services to track and collect such taxes, which could increase our costs of operations and have a material adverse effect on our business, financial condition and results of operations.

In addition, particularly in emerging markets such as China and Brazil, tax laws may be interpreted inconsistently. The application and interpretation of laws by governmental authorities may therefore be uncertain and difficult to predict. The position we take on taxation-related matters is subject to possible review and investigation by tax authorities. If governmental authorities were to successfully challenge the tax positions we take, substantial fines, penalties and interest charges may be imposed on us. This could have a material adverse impact on our business, financial condition and results of operations.

Certain territories in which we operate also have transfer pricing regulations that require transactions involving associated companies to be effected on arm's length terms. It is our policy, therefore, that any pricing of arrangements between members of SMG, such as the intra-group provision of services, is carried out on an arm's length basis and in accordance with all applicable regulations. However, if the tax authorities in the relevant jurisdictions do not regard these arrangements as being made at arm's length and successfully challenge those arrangements, the amount of tax payable, in both current and previous years, by the relevant member of SMG may increase materially, and penalties or interest may also be payable. There may also be changes in transfer pricing regulations or policies, and our failure to promptly comply with such changes could have a material adverse impact on our business, financial condition and results of operations.

We have entered into, and will continue to enter into, related party transactions, and there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties.

We have entered into transactions with several related parties. These agreements include loan agreements entered into with certain of our shareholders and contracts for the provision of components, raw materials and tooling from certain related entities. While we believe that all such transactions have been conducted on an arms-length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. The transactions we have entered into and any future transactions with our related parties have involved or could potentially involve conflicts of interest. These related party transactions include sales and purchases of goods, rendering of services, sales and purchases of fixed assets, payments of dividends, the making and borrowing of loans and capital advances. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, financial condition and results of operations. See "*Certain Relationships and Related Party Transactions*."

Our factoring facilities expose us to various risks.

We are party to certain receivables facilities. The receivables facilities are provided to us on a non-committal basis and may be withdrawn by the respective lenders thereunder at any time. Should the lenders under these facilities withdraw their respective commitments, this might lead to a significant outflow of working capital. In addition, while our receivables facilities are generally non-recourse, amounts outstanding thereunder may become recourse in certain circumstances, including in case a commercial dispute arises with regards to the underlying receivables. This could lead to a significant increase in our leverage. Furthermore, changes in Indian GAAP accounting standards, or changes in the method of the treatment for balance sheet purposes of the receivables facilities, could result in the receivables facilities being reclassified as recourse debt, which could lead to a significant increase in our leverage ratio.

Any downgrade of our debt ratings or of India's debt rating by international rating agencies could adversely affect our business.

Our debt is rated by various agencies. Any downgrade in our credit ratings may increase interest rates for refinancing our outstanding debt, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to raise new capital on a competitive basis, which may adversely affect our profitability and future growth.

While Standard and Poor's ("**S&P**"), Moody's Investors Service Limited ("**Moody's**") and Fitch Ratings, Inc. ("**Fitch**") currently have stable outlooks on their sovereign rating for India, they may lower their sovereign ratings for India or the outlook on such ratings, which would also impact our ratings.

In September 2014, S&P, affirmed the "BBB minus" sovereign credit rating on India and revised the outlook on India's long-term rating from "negative" to "stable", citing improvement in the Government's ability to implement reforms and encourage growth, which in turn would lead to improving the country's fiscal performance. There can be no assurance that these ratings will not be further revised or changed by S&P, Fitch or Moody's or that any of the other global rating agencies will not downgrade India's credit rating. As our foreign currency ratings are pegged to India's sovereign ceiling, any adverse revision to India's credit rating for international debt will have a corresponding effect on our ratings. Therefore, any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available. Any of these developments may materially and adversely affect our business, financial condition and results of operations.

Our off-balance sheet liabilities could adversely affect our financial condition.

As of March 31, 2016, we had total contingent liabilities of ₹ 663 million. Our off-balance sheet liabilities consist of, among other things, liability on account of forward exchange and derivative contracts, guarantees and documentary credits given by us. In case of derivative contracts, the notional principal amounts are significantly greater than the actual profit and loss, mark-to-market impact on us. If any of these contingent liabilities materialize, our business, financial condition and results of operations may be materially and adversely affected.

Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, capital expenditure, long-term target payout ratios, growth & investment opportunities, current capital ratios, current & prospective financial performance and other macro & micro-economic factors.

Our ability to pay dividends in the future will depend on our earnings, financial condition and capital requirements. Further, dividends distributed by us will attract dividend distribution tax and may be subject to other requirements. We have a board-approved dividend policy to govern our dividend payout. We may not generate sufficient income to cover our operating expenses and therefore may be unable to pay dividends to our shareholders. Further, we might be restricted from paying Dividends as per our dividend stopper policy. In addition, dividends that we have paid in the past may not be reflective of the dividends that we may be able to pay in the future. For details, see section titled "***Dividends***" on page 79.

Certain terms contained in our business agreements may be onerous and commercially restrictive.

Some of our agreements contain covenants that may be onerous and commercially restrictive in nature. For example, some of our borrowing agreements impose a condition on us to inform the respective counterparties in the case of any change in control or amalgamation, demerger/merger or payment of dividends. In addition, certain of our borrowing agreements impose restrictive financial covenants. Further, some of our borrowing agreements also require us to obtain prior written consent for certain acts such as amendments to constitutional documents or to create any security. Violation of any of these covenants may amount to events of default, which may result in breach of contract causing claims to be brought against us or termination of the agreements as well as prepayment obligations.

Any conflict of interest which may occur between our business and any other similar business activities pursued by our Promoters or Directors could have a material adverse effect on our business, financial condition and results of operations.

While our Promoters do not, as of the date of this Placement Document, engage in any other business activities similar to our business lines, we have not entered into any non-solicitation or non-compete arrangements to address any such conflict which may arise in the future. In addition, while none of our Promoters, Directors or members of our Promoter Group has undertaken any business in conflict with our Company, we cannot assure you that such a conflict will not arise in the future, or that we will be able to suitably resolve any such conflict without an adverse effect on our business or operations. We cannot assure you that our Promoters, Directors or members of our Promoter Group will not provide comparable services, solicit our employees or acquire interests in competing ventures in the locations or segments in which we operate, which could have a material adverse effect on our business, financial condition and results of operations.

A failure to comply with financial and other restrictive covenants imposed on us under our financing agreements could cause us to default on these agreements, which could adversely affect our ability to conduct our business and operations.

Our leverage may constrain our ability to raise incremental financing or increase the cost at which we will be able to raise any such financing. Under our financing agreements with various lenders, we have agreed to restrictive covenants that require, among other things, that we maintain certain levels of various ratio, including debt to tangible net worth, debt-service coverage ratio, fixed assets coverage ratio, gearing ratio, next fixed asset to debt. Specifically, we require the consent of our lenders for effecting any change in the management or control or the majority shareholding of the Company capital structure, any merger, amalgamation or other restructuring which affects the control of the existing shareholders over the Company, or any amendment or modification of the Memorandum of Association of the Company. Our failure to comply with restrictive covenants or to obtain our lenders' consent to take such actions in a timely manner or at all could also result in an event of default, which may accelerate repayment of the relevant loans or increase applicable interest rates or even trigger cross-defaults under our other financing agreements or our other agreements or instruments containing cross-default provisions. An event of default would also affect our ability to raise new funds or renew maturing borrowings that may be needed to conduct our operations and pursue our growth initiatives. In addition, our ability to obtain further financing on terms and conditions acceptable to us could be severely and negatively impacted as a result of these restrictions and breaches. Any loan agreement termination and subsequent action taken by our lenders may individually or in aggregate have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

There is outstanding litigation against our Company which could adversely affect our financials and business.

Our Company is involved in certain legal proceedings and tax related matters, which are pending at different levels of adjudication before various courts, tribunals, enquiry officers, and appellate authorities, including a writ petition filed by our Company against the Competition Commission of India in the High Court of Delhi. In the event of rulings against our Company by courts or tribunals in these proceedings or levy of penalties by statutory authorities, we may need to make payments to others or book provisions against probable future payments, which could increase our expenses and our current liabilities and could also adversely affect our reputation and financial condition. For details, see "***Legal Proceedings***" on page 217 of this Placement Document.

We have given corporate guarantees in relation to certain debt facilities provided to certain of its Subsidiaries, which, if invoked, will require us to pay the guaranteed amounts.

We have given corporate guarantees in relation to certain debt facilities provided to certain of our Subsidiaries and in the event that these guarantees are invoked, we will be required to pay the guaranteed amounts which will adversely affect our financial condition and reputation.

Risks Relating to India

Companies in India (based on notified thresholds), including our Company, will be required to prepare financial statements under Ind-AS (which is India's convergence to IFRS). The transition to Ind-AS in India is very recent and there is no clarity on the impact of such transition on our Company. All income tax assessments in India will also be required to follow the Income Computation Disclosure Standards.

We have historically prepared our annual and interim financial statements under Indian GAAP. Public companies in India, including us, will now be required to prepare annual and interim financial statements under Ind-AS in accordance with the roadmap announced on January 2, 2015 by the Ministry of Corporate Affairs, Government of India (the **MCA**), in consultation with the National Advisory Committee on Accounting Standards (the **MCA Press Release**) for the conversion of Ind-AS with IFRS. On February 16, 2015, the MCA notified the public of the Companies (Indian Accounting Standards) Rules, 2015, which have come into effect from April 1, 2016. We announced our financial condition, results of operations, cash flows or changes in shareholders' equity under Ind-AS for the first time for the quarter ended June 30, 2016. There is not yet a significant body of established practice on which to draw informed judgments regarding its implementation and application. Additionally, Ind-AS differs in certain respects from IFRS and therefore financial statements prepared under Ind-AS may be substantially different from financial statements prepared under IFRS.

There can be no assurance that our financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under Ind-AS than under Indian GAAP. In our transition to Ind-AS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Furthermore, there is no significant body of established practice on which to draw in forming judgments regarding the new system's implementation and application. There can be no assurance that our adoption of Ind-AS will not adversely affect our reported results of operations or financial condition and any failure to successfully adopt Ind-AS could adversely affect our business, financial condition and results of operations. In addition, in its transition to Ind-AS reporting, we may encounter difficulties in the on-going process of implementing and enhancing its management information systems.

Furthermore, the Government of India has issued a set of Income Computation and Disclosure Standards (**ICDS**) that will be applied in computing taxable income and payment of income taxes thereon, effective from April 1, 2016. ICDS apply to all taxpayers following an accrual system of accounting for the purpose of computation of income under the heads of "Profits and gains of business/profession" and "Income from other sources." This is the first time such specific standards have been issued for income taxes in India, and the impact of the ICDS on our tax incidence is uncertain.

Increased volatility or inflation of commodity prices in India could adversely affect our business.

Any increased volatility or rate of inflation of global commodity prices, particularly oil and steel prices, could adversely affect our borrowers and contractual counterparties. Although the RBI has enacted certain policy measures designed to curb inflation, these policies may not be successful. Any slowdown in the growth of the manufacturing services or agricultural sectors could adversely impact our business, financial condition and results of operations.

Trade deficits could have a negative effect on our business.

India's trade relationships with other countries can influence conditions in the Indian economy. In fiscal year 2016, the merchandise trade deficit was U.S.$118.5 billion compared to U.S.$137.7 billion in fiscal year 2015. This large merchandise trade deficit neutralizes the surpluses in India's invisibles, which are comprised of international trade in services, income from financial assets, labor and property and cross-border transfers of mainly workers' remittances in the current account, resulting in a current account deficit. If India's trade deficits increase or become unmanageable, the Indian economy and, therefore, our business, financial condition and results of operations could be adversely affected.

A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could have an adverse impact on us. A rapid decrease in reserves would also create a risk of higher interest rates and a consequent slowdown in growth.

Flows to foreign exchange reserves can be volatile, and past declines may have adversely affected the valuation of the Rupee. There can be no assurance that India's foreign exchange reserves will not decrease again in the future. Further decline in foreign exchange reserves, as well as other factors, could adversely affect the valuation of the Rupee and could result in reduced liquidity and higher interest rates that could adversely affect our business, financial condition and results of operations.

We are subject to risks relating to macroeconomic conditions in India. As reported by the RBI in its financial stability report dated December 23, 2015, risks to India's financial stability have worsened since December 2011, primarily due to global risks, such as the delay in resolution of the Eurozone crisis and domestic macroeconomic conditions. The RBI's financial stability report further noted that the pace of further increase in the U.S. Federal Reserve's funds rate could have a significant bearing on market behavior and that sluggish global trade, along with developments in China, may hamper the global economy going forward. The U.S. Federal Reserve ended the easing program in October 2014 and the raising of rates by the U.S. Federal Reserve from December 2015 signaled the start of a shift to normal liquidity and credit conditions in the global markets. The pace at which rates would be hiked and the market reaction and adjustment to the consequent withdrawal of liquidity may lead to a repricing of certain assets with consequent volatility.

On the domestic front, risks arising from erratic climatic conditions, limited policy space, corporate performance, asset quality of financial institutions and low investment growth, could pose challenges. The risks to domestic growth are accentuated by fiscal and external sector imbalances. It was also observed that funding strains coupled with sovereign risks have led to fears of a precipitous deleveraging process that could hurt global financial market and the economy in general, through asset sales and contractions in credit. While the direct impact of such deleveraging is not expected to be significant on domestic credit availability in India, specialized types of financing like structured long-term finance, project finance and trade finance could be impacted.

We have little or no control over any of these risks or trends and may be unable to anticipate changes in economic conditions. Adverse effects on the Indian economy could impact our funding and adversely affect our business, financial condition and results of operations.

Acts of terrorism and other similar threats to security could adversely affect our business, cash flows, results of operations and financial condition.

Increased political instability, evidenced by the threat or occurrence of terrorist attacks, enhanced national security measures, conflicts in several regions in which we operate, strained relations arising from these conflicts and the related decline in customer confidence may hinder our ability to do business. For example, in November 2008, several coordinated shooting and bombing attacks occurred across Mumbai, India's financial capital. In June 2011, a series of three coordinated bomb explosions occurred at different locations in Mumbai. Both attacks resulted in loss of life, property and business. Any escalation in these events or similar future events may disrupt our operations or those of our customers. These events have had, and may continue to have, an adverse impact on the global economy and customer confidence, which could, in turn, adversely affect our revenue, operating results and financial condition. The impact of these events on the volatility of global financial markets could increase the volatility of the market price of our securities and may limit the capital resources available to us and to our customers.

Natural disasters could have a negative impact on the Indian economy and damage our facilities.

Natural disasters such as floods, earthquakes or famines have in the past had a negative impact on the Indian economy. If any such event were to occur, our business could be affected due to the event itself or due to our inability to effectively manage the effects of the particular event. Potential effects include the damage to infrastructure and the loss of business continuity or business information. In the event that our facilities are affected by any of these factors, our operations may be significantly interrupted, which may materially and adversely affect our business, financial condition and results of operations.

Political instability or significant changes in the economic liberalization and deregulation policies of the Government or in the government of the states where we operate, could disrupt our business.

We are incorporated in India and on a standalone basis, derive a significant portion of our revenues in India. In addition, a significant portion of our assets are located in India. Consequently, our performance and liquidity of the Equity Shares may be affected by changes in exchange rates and controls, interest rates, Government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

The Indian Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our businesses, and the market price and liquidity of our securities, may be affected by changes in exchange rates and controls, interest rates, Government policies, taxation, social and ethnic instability and other political and economic developments in or affecting India.

In recent years, India has been following a course of economic liberalization and our business could be significantly influenced by economic policies followed by the Government. Further, our businesses are also impacted by regulation and conditions in the various states in India where we operate. On May 17, 2014, the Indian Election Commission released the results of the 2014 General Election and the Bharatiya Janata Party won 282 districts out of 543, and holds a majority of seats in the Lok Sabha, the lower house of the Parliament of India. However, there is no majority government in the Rajya Sabha, the upper house of the Parliament of India, which may impede the passing of key legislation. There can be no assurance as to the policies the new government will follow or that it will continue the policies of the outgoing government. Government corruption, scandals and protests against certain economic reforms, which have occurred in the past, could slow the pace of liberalization and deregulation.

All this has impacted sentiments and the economy, the rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well. A significant change in India's economic liberalization and deregulation policies, in particular, those relating to the businesses in which we operate, could disrupt business and economic conditions in India generally and our business in particular.

Investors in the Equity Shares may not be able to enforce a judgment of a foreign court against us, our directors or executive officers.

We are a limited liability company incorporated under the laws of India. Substantially all of our Directors and executive officers and key managerial personnel are residents of India, and a substantial portion of our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon us or such persons outside India, or to enforce judgments obtained against such parties in courts outside of India.

Recognition and enforcement of foreign judgments are provided for under Section 13 and Section 44A of the Civil Procedure Code on a statutory basis. Section 13 of the Civil Procedure Code provides that foreign judgments shall be conclusive as to any matter thereby directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title except: (a) where it has not been pronounced by a court of competent jurisdiction; (b) where it has not been given on the merits of the case; (c) where it appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases in which such law is applicable; (d) where the proceedings in which the judgment was obtained are opposed to natural justice; (e) where it has been obtained by fraud; and (f) where it sustains a claim founded on a breach of any law in force in India.

Under the Civil Procedure Code, a court in India shall presume, upon the production of any document purporting to be a certified copy of a foreign judgment, that such judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on the record; but such presumption may be displaced by proving want of jurisdiction.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. However, Section 44A of the Civil Procedure Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside India which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty and does not include arbitration awards.

The United Kingdom, Singapore and Hong Kong, among others, have been declared by the Government of India to be "reciprocating territories" for the purposes of Section 44A of the Civil Procedure Code, but the U.S. has not been so declared. A judgment of a court of a country which is not a reciprocating territory may be enforced only by a fresh suit resulting in a judgment or order and not by proceedings in execution. Such a suit has to be filed in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. A judgment of a superior court of a country which is a reciprocating territory may be enforced by proceedings in execution, and a judgment not of a superior court, by a fresh suit resulting in a judgment or order. The latter suit has to be filed in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. Execution of a judgment or repatriation outside India of any amounts received is subject to the approval of the RBI, wherever required and nay such amount may be subject to income tax in accordance with applicable laws. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were to be brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, and is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law.

The market value of the Equity Shares may fluctuate due to the volatility of the Indian securities markets.

Indian securities markets may be more volatile than, and not comparable to, the securities markets in certain countries with more developed economies and capital markets than India. Indian stock exchanges have, in the past, experienced substantial fluctuations in the prices of listed securities. Indian stock exchanges (including the BSE and the NSE) have experienced problems which, if such or similar problems were to continue or recur, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares. These problems have included temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of Indian stock exchanges have, from time to time, imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Further, from time to time, disputes have occurred between listed companies, stock exchanges and other regulatory bodies, which in some cases may have a negative effect on market sentiment.

Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.

Our articles of incorporation and Indian law govern our corporate affairs. Legal principles relating to these matters and the validity of corporate procedures, Directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a corporate entity in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as one of our shareholders than as a shareholder of a corporate entity in another jurisdiction.

The proposed new taxation system in India could adversely affect our business and the trading price of the Equity Shares.

The Government has proposed three major reforms in Indian tax laws, namely the goods and services tax, the direct taxes code and provisions relating to the General Anti-Avoidance Rule (the "**GAAR**"). As regards the goods and service tax and the direct tax code, the Government has not specified any timeline for their implementation although it has indicated that they will target next fiscal year. The goods and services tax would replace the indirect taxes on goods and services such as central excise duty, service tax, customs duty, central sales tax, state VAT, surcharge and excise currently being collected by the central and state governments. The direct taxes code aims to reduce distortions in tax structure, introduce moderate levels of taxation, expand the tax base and facilitate voluntary compliance. It also aims to provide greater tax clarity and stability to investors who invest in Indian projects and companies as well as clarify the taxation provisions for international transactions. It aims to consolidate and amend laws relating to all direct taxes like income tax, dividend distribution tax and wealth tax and facilitate voluntary compliance. As regards GAAR, the provisions have been introduced in the Finance Act, 2012 to come into effect from April 1, 2017. The GAAR provisions intend to catch arrangements declared as "impermissible avoidance arrangements", which is any arrangement, the main purpose or one of the main purposes of which is to obtain a tax benefit and which satisfy at least one of the following tests (i) creates rights or obligations which are not ordinarily created between persons dealing at arm's length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes. If GAAR provisions are invoked, then the tax authorities have wide powers, including denial of tax benefit or a benefit under a tax treaty. As the taxation system is intended to undergo significant overhaul, its consequent effects cannot be determined at present and there can be no assurance that such effects would not adversely affect our business, future financial performance and the trading price of the Equity Shares.

Statistical, industry and financial data in this Placement Document may be incomplete or unreliable.

We have not independently verified data obtained from industry publications and other sources referred to in this Placement Document and, therefore, while we believe them to be true, we cannot assure you that they are complete or reliable. Such data may also be produced on different bases from those used in the industry publications we have referenced. Discussions of matters, therefore, relating to India, its economy and the industries in which we currently operate, are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable. See section titled "*Industry and Market Data*".

Risks Relating to the Equity Shares and the Issue

After this Issue, the price of the Equity Shares may be volatile.

The Issue Price will be determined by us in consultation with the Book Running Lead Managers, based on the Bids received in compliance with Chapter VIII of the SEBI ICDR Regulations, and it may not necessarily be indicative of the market price of the Equity Shares after this Issue is complete.

The price of the Equity Shares on the NSE and the BSE may fluctuate after this Issue as a result of several factors, including:

- volatility in the Indian and the global securities market or in the Rupee's value relative to the U.S. dollar, the Euro and other foreign currencies;
- our profitability and performance;
- perceptions about our future performance or the performance of Indian companies in general;
- performance of our competitors and the perception in the market about investments in the automotive sector;
- adverse media reports about us or the Indian automotive sector;
- a comparatively less active or illiquid market for Equity Shares;
- changes in the estimates of our performance or recommendations by financial analysts;
- significant developments in India's economic liberalization and deregulation policies;
- regulatory changes in the automotive sector;
- inclusion or exclusion of us in indices;

- significant developments in India’s fiscal and environmental regulations; and
- any other political or economic factors.

There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares are offered in this Issue or the price at which the Equity Shares will trade in the market subsequent to this Issue.

Future issuances or sales of the Equity Shares could significantly affect the trading price of the Equity Shares.

The future issuance of shares by us or the disposal of shares by any of our major shareholders, or the perception that such issuance or sales may occur, may significantly affect the trading price of the Equity Shares. There can be no assurance that we will not issue further shares or that the major shareholders will not dispose of, pledge or otherwise encumber their shares.

There is no guarantee that the Equity Shares issued pursuant to this Issue will be listed on the BSE and the NSE in a timely manner, or at all.

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to this Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the BSE and the NSE. Any failure or delay in obtaining the approval would restrict an investor’s ability to dispose of the Equity Shares.

An investor will not be able to sell any of the Equity Shares subscribed in this Issue other than across a recognized Indian stock exchange for a period of 12 months from the date of the issue of the Equity Shares.

Pursuant to the SEBI ICDR Regulations, for a period of 12 months from the date of the issue of the Equity Shares in this Issue, QIBs subscribing to the Equity Shares may only sell their Equity Shares on the NSE or the BSE and may not enter into any off-market trading in respect of these Equity Shares. We cannot be certain that these restrictions will not have an impact on the price of the Equity Shares. This may affect the liquidity of the Equity Shares purchased by investors and it is uncertain whether these restrictions will adversely impact the market price of the Equity Shares purchased by investors.

Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws and regulations, capital gains arising from the sale of shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if STT has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realized on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares. See sub-section titled “*Taxation—Statement of Possible Tax Benefits*”.

Anti-takeover provisions under Indian law could prevent or deter an entity from acquiring us.

The Takeover Regulations contains certain provisions that may delay, deter or prevent a future takeover or change in control. These provisions may discourage a third party from attempting to take control over our business, even if change in control would result in the purchase of our Equity Shares at a premium to the market price or would otherwise be beneficial to the investor.

SEBI operates an index-based market-wide circuit breaker. Any operation of a circuit breaker may adversely affect a shareholder's ability to sell, or the price at which it can sell, the Equity Shares at a particular point in time.

We are subject to an index-based market-wide circuit breaker generally imposed by SEBI on Indian stock exchanges. This may be triggered by an extremely high degree of volatility in the market activity (among other things). Due to the existence of this circuit breaker, there can be no assurance that shareholders will be able to sell the Equity Shares at their preferred price or at all at any particular point in time.

Applicants to the Issue are not allowed to withdraw their Bids after the Bid/Issue Closing Date.

In terms of the SEBI ICDR Regulations, applicants in the Issue are not allowed to withdraw their Bids after the Bid/Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the applicant's demat account with its depository participant could take approximately seven days and up to 10 days from the Bid/Issue Closing Date. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the applicant's decision to invest in the Equity Shares, would not arise between the Bid/Issue Closing Date and the date of Allotment of Equity Shares in the Issue. Occurrence of any such events after the Bid/Issue Closing Date could also impact the market price of the Equity Shares. The applicants shall not have the right to withdraw their Bids in the event of any such occurrence without the prior approval of SEBI. We may complete the Allotment of the Equity Shares even if such events may limit the applicants' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade.

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since our Equity Shares are currently traded on the BSE and the NSE, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account or that trading in the Equity Shares will commence in a timely manner.

If we are classified as a passive foreign investment company ("PFIC") for U.S. Federal income tax purposes, U.S. investors may incur adverse tax consequences.

Under U.S. Federal income tax laws, U.S. investors are subject to special tax rules if they invest in passive foreign investment companies, or PFICs. While we do not believe that we are, or will become in the foreseeable future, a PFIC since the applicable PFIC rules are complex and, to a certain extent, unclear, there is a risk that we are or may become a PFIC in the future. If we are or become a PFIC, U.S. investors generally will not be subject to the regular U.S. federal income tax rules applicable to dividends and capital gains, but will be subject to complex PFIC rules that could result in additional taxation upon certain distributions by us and/or upon a sale or disposition of Equity Shares. See sub-section titled "*Taxation—Certain U.S. Federal Income Tax Considerations*".

Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.

Under the Companies Act, a company incorporated in India must offer holders of its equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares who have voted on such resolution. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such preemptive rights unless we make such a filing. If permitted by and subject to applicable law, may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in us would be reduced.

MARKET PRICE INFORMATION

As on the date of this Placement Document, 1,340,641,500 Equity Shares have been issued, subscribed and are fully paid up, out of which 1,322,744,149 Equity Shares are currently listed on the BSE and the NSE.

As of August 31, 2016 the closing price of the Equity Shares on the BSE and the NSE was ₹ 322.55 and ₹ 322.55 per Equity Share, respectively. Since the Equity Shares are available for trading on the BSE and NSE, the market price and other information for each of the BSE and the NSE has been given separately.

1. The following tables set forth the reported high, low, average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded and the total trading volumes for Fiscal Years ended 2016, 2015 and 2014.

BSE											
Fiscal	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total volume of Equity Shares traded on date of high (₹ million)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total volume of Equity Shares traded on date of low (₹ million)**	**Average price for the year (₹)**	**Total Volume of Equity Shares traded in the Financial Years (In Number)**	**Total Volume of Equity Shares traded in the Financial Years (In ₹ million)**
23-07-2015 to 31-03-2016	390.80	05-08-2015	377,899	145.93	210.15	25-02-2016	221,442	46.33	272.68	68,690,682	18,485.11
01-04-2015 to 22-07-2015	537.05	20-07-2015	121,473	65.07	454.85	08-06-2015	91,827	41.96	496.51	14,464,451	7,200.61
01-04-2014 to 31-03-2015	513.35	31-03-2015	150,327	76.68	247.00	16-04-2014	106,788	26.62	385.17	43,095,042	16,267.65
20-12-2013 to 31-03-2014	255.90	31-03-2014	147,293	37.3	180.35	30-01-2014	97,487	17.60	211.92	10,692,006	2,311.89
01-04-2013 to 19-12-2013	291.60	19-12-2013	32,564	9.51	175.95	04-04-2013	24,540	4.34	223.70	8,250,049	1,875.70

(Source: www.bseindia.com)

Notes:

1. *High, low and average prices are based on the daily closing prices.*
2. *In case of two days with the same closing price, the date with the higher volume has been chosen.*
3. *Average price for the year represents the average of the closing prices on the last day of each year presented.*

NSE											
Fiscal	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total volume of Equity Shares traded on date of high (₹ million)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total volume of Equity Shares traded on date of low (₹ million)**	**Average price for the year (₹)**	**Total Volume of Equity Shares traded in the Financial Years (In Number)**	**Total Volume of Equity Shares traded in the Financial Years (In ₹ million)**
23-07-2015 to 31-03-2016	391.15	05-08-2015	3,907,678	1,511.45	210.80	25-02-2016	3,029,788	634.31	272.72	619,569,181	165,548.76
01-04-2015 to 22-07-2015	536.45	20-07-2015	929,317	497.56	454.65	08-06-2015	1,053,262	480.89	496.51	110,822,955	54,952.31
01-04-2014 to 31-03-2015	514.95	31-03-2015	1,965,117	1,002.85	246.90	16-04-2014	1,626,958	405.40	384.82	438,717,039	170,036.33
20-12-2013 to 31-03-2014	255.55	31-03-2014	1,466,228	371.85	180.30	30-01-2014	1,375,019	248.53	211.81	68,446,298	14,829.45
01-04-2013 to 19-12-2013	291.75	19-12-2013	756,682	221.21	175.50	15-04-2013	129,936	23.27	223.77	73,827,053	16,798.17

(Source: www.bseindia.com)

Notes:

- *High, low and average prices are based on the daily closing prices.*
- *In case of two days with the same closing price, the date with the higher volume has been chosen.*
- *Average price for the year represents the average of the closing prices on the last day of each year presented.*

2. The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded during each of the last six months, as applicable:

BSE											
Month, year	**High (₹)**	**Date of high**	**Number of Equity Shares traded on date of high**	**Total volume of Equity Shares traded on date of high (₹ million)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on date of low**	**Total volume of Equity Shares traded on date of low (₹ million)**	**Average price for the month (₹)**	**Monthly Total Volume of Equity Shares traded (In number)**	**Monthly Total Volume of Equity Shares traded (In ₹ Million)**
Aug-2016	352.60	09-08-2016	239,640	83.82	316.90	11-08-2016	582,317	184.31	331.91	7,053,240	2,344.61
Jul-2016	330.45	29-07-2016	163,370	53.96	277.80	07-07-2016	173,480	48.57	301.54	4,949,027	1,497.0
Jun-2016	302.40	22-06-2016	327,312	99.47	273.10	27-06-2016	346,089	94.66	288.45	6,397,973	1,830.32
May-2016	290.45	17-05-2016	2,186,022	621.66	252.95	10-05-2016	55,267	14.00	266.38	5,869,121	1,613.50
Apr-2016	274.00	22-04-2016	361,681	99.37	243.80	08-04-2016	119,519	29.09	258.20	2,929,767	763.34
Mar-2016	266.90	31-03-2016	306,993	80.75	233.10	01-03-2016	313,346	73.44	247.08	4,237,930	1,045.63

(Source: www.bseindia.com)

NSE											
Month, year	**High (₹)**	**Date of high**	**Number of Equity Shares traded on date of high**	**Total volume of Equity Shares traded on date of high (₹ million)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on date of low**	**Total volume of Equity Shares traded on date of low (₹ million)**	**Average price for the month (₹)**	**Monthly Total Volume of Equity Shares traded (In number)**	**Monthly Total Volume of Equity Shares traded (₹ in Million)**
Aug-2016	352.50	09-08-2016	3,902,391	1,367.27	316.70	11-08-2016	6,047,310	1,913.45	332.01	74,744,992	24,963.99
Jul-2016	331.40	29-07-2016	2,301,675	760.60	277.30	07-07-2016	4,402,575	1,230.19	301.76	61,458,109	18,469.02
Jun-2016	302.80	22-06-2016	4,409,827	1,340.02	272.90	27-06-2016	4,387,363	1,199.50	288.39	79,508,151	22,711.92
May-2016	290.40	17-05-2016	22,145,254	6,313.46	253.05	10-05-2016	832,175	210.59	266.38	70,328,575	19,207.81
Apr-2016	273.90	22-04-2016	2,067,778	569.49	243.65	07-04-2016	1,464,566	361.14	258.22	33,636,945	8,756.21
Mar-2016	266.45	31-03-2016	5,350,652	1,409.18	233.10	01-03-2016	3,042,162	712.33	247.28	45,520,261	11,288.94

(Source: www.nseindia.com)

Notes:

1. *High, low and average prices are based on the daily closing prices.*
2. *In case of two days with the same closing price, the date with the higher volume has been chosen.*
3. *Average price for the month represents the average of the closing prices on each day of each month.*

3. The following table set forth the details of the number of Equity Shares traded and the turnover during the last six months and the Fiscal Years 2016, 2015 and 2014 on the Stock Exchanges:

Period	Number of Equity Shares traded		Turnover (In ₹ million)	
	BSE	NSE	BSE	NSE
August-2016	7,053,240	74,744,992	2,344.61	24,963.99
July-2016	4,949,027	61,458,109	1,497.00	18,469.00
June-2016	6,397,973	79,508,151	1,830.32	22,711.92
May-2016	5,869,121	70,328,575	1,613.50	19,270.81
April-2016	2,929,767	33,636,945	763.34	8,756.21
March-2016	4,237,930	45,520,261	1,045.63	11,288.94

(*Source: www.bseindia.com and www.nseindia.com)*

Fiscal	Number of Equity Shares traded		Turnover (In ₹ million)	
	BSE	NSE	BSE	NSE
23-07-2015 to 31-03-2016	68,690,682	619,569,181	18,485.11	165,548.76
01-04-2015 to 22-07-2015	14,464,451	110,822,955	7,200.61	54,952.31
01-04-2014 to 31-03-2015	43,095,042	438,717,039	16,267.65	170,036.33
20-12-2013 to 31-03-2014	10,692,006	68,446,298	2,311.89	14,829.45
01-04-2013 to 19-12-2013	8,250,049	73,827,053	1,875.70	16,798.17

(*Source: www.bseindia.com and www.nseindia.com)*

4. The following table sets forth the market price on the Stock Exchanges on 4th August 2016, the first working day following the approval of the Board for the Issue:

BSE					
Open	High	Low	Close	Number of Equity Shares traded	Volume (₹ million)
339.9	351.5	334.5	347.7	790,031	268.8

(Source: www.bseindia.com)

NSE					
Open	High	Low	Close	Number of Equity Shares traded	Volume (₹ million)
337.4	352.4	334.4	348.4	5,830,375	2,004.4

(Source: www.nseindia.com)

USE OF PROCEEDS

The gross proceeds from the Issue are expected to be approximately ₹19,935 million.

The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, are expected to be approximately ₹19,514 million (the "**Net Proceeds**").

Subject to compliance with applicable laws and regulations, our Company intends to use the Net Proceeds of the Issue for meeting general corporate purposes and for achieving the objectives in our Company's five year plan 'Vision 2020'.

Neither our promoters nor the Directors are making any contribution either as part of the Issue or separately in furtherance of the objects of the Issue.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as of March 31, 2016 which has been extracted from its audited consolidated financial statements and as adjusted to give effect to the receipt of the gross proceeds of the Issue and the application thereof. This capitalization table should be read together with the sections titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements".

Particulars	**(in ₹ million)**	
	As of March 31, 2016	**As Adjusted***
Short term borrowing:		
Secured	8,635	8,635
Unsecured	1,224	1,224
Long term borrowing:		
Secured	48,573	48,573
Unsecured	1,450	1,450
Current Maturities of Long Term Borrowings and Finance Lease Obligations	3,465	3,465
Total debt	**63,347**	**63,347**
Shareholders' funds:		
Share capital	1,323	1,386
Securities premium	2,872	22,744
Reserves and surplus	38,261	38,261
Total funds (excluding loan funds)	**42,456**	**62,390**
Minority Interest	14,411	14,411
Total capitalization	**120,214**	**140,148**

**The amounts do not include adjustments for the 17,762,460 Equity Shares issued to SWS, one of our promoters, on September 12, 2016, through a preferential issue as permitted under Chapter VII of the SEBI ICDR Regulations and other applicable laws.*

CAPITAL STRUCTURE

The Issue has been authorised and approved by the Board of Directors on August 3, 2016 and by the shareholders of our Company by way of their special resolution dated August 31, 2016. The Equity Share capital of our Company as at the date of this Placement Document is set forth below:

(In ₹)

		Aggregate value at face value
A	**AUTHORISED SHARE CAPITAL**	
	2,873,000,000 Equity Shares of ₹ 1/- each	2,873,000,000
	25,000,000 preference shares of ₹ 10/- each	250,000,000
B	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE**	
	1,340,641,500 Equity Shares of ₹ 1/- each	1,340,641,500
C	**PRESENT ISSUE IN TERMS OF THIS PLACEMENT DOCUMENT(1)**	
	Up to 62,884,827 Equity Shares aggregating up to ₹ 19,935 million	62,884,827
D	**PAID-UP CAPITAL AFTER THE ISSUE AND PREFERENTIAL ISSUE TO SWS**	
	1,403,526,327 Equity Shares of ₹ 1 each fully paid up	1,403,526,327
E	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue and the Preferential Issue to SWS	2,785,000,000
	After the Issue and the Preferential Issue to SWS*	28,270,000,000

**Computed on a standalone basis.*

Equity share capital history of our Company

The following table sets forth details of allotments of Equity Shares made by our Company since its incorporation:

Date of allotment	No. of Equity Shares allotted	Cumulative No. of Equity Shares	Face value (In ₹)	Issue price per Equity Share (In ₹)	Reason for allotment	Consideration (Cash/other than cash)
December 20, 1986	200	200	10	10	Subscription to Memorandum of Association(1)	Cash
December 31, 1986	609,000	609,200	10	10	Equity shares issued pursuant to sales agreement between our Company and Motherson Auto Private Limited(2)	Other than cash
April 29, 1987	590,800	1,200,000	10	10	Equity shares issued pursuant to collaboration agreement between Motherson Auto Private Limited, SWS, and Nissho Iwai Corporation Limited(3)	Cash
					Further issue(4)	
July 11, 1989	300,000	1,500,000	10	10	Rights issue(5)	Cash
December 24,	500,000	2,000,000	10	10	Further issue(6)	Cash

Date of allotment	No. of Equity Shares allotted	Cumulative No. of Equity Shares	Face value (In ₹)	Issue price per Equity Share (In ₹)	Reason for allotment	Consideration (Cash/other than cash)
1991						
June 17, 1992	500,000	2,500,000	10	10	Further issue	Cash
April 30, 1993	3,300,000	5,800,000	10	25.00	Public issue	Cash
February 9, 1996	1,159,680	6,959,680	10	90.00	Rights issue	Cash

Date of allotment	No. of Equity Shares allotted	Cumulative No. of Equity Shares	Face value (In ₹)	Issue price per Equity Share (In ₹)	Reason for allotment	Consideration (Cash/other than cash)
January 17, 1998	3,479,840	10,439,520	10	N.A.	Bonus issue in the ratio 1:2[7]	N.A.
December 9, 2000	5,219,760	15,659,280	10	N.A.	Bonus issue in the ratio 1:2[8]	N.A.
On October 31, 2002, the face value of the equity shares of our Company was split into ₹ 5 each and consequently, the issued paid up equity share capital was split from ₹ 156,592,800 divided into 15,659,280 equity shares of ₹ 10 each to Rs. 156,592,800 divided into 31,318,560 equity shares of ₹ 5 each.						
On February 23, 2004, the face value of the equity shares of our Company was split into ₹ 1 each and consequently, the issued paid up equity share capital was split from ₹ 156,592,800 divided into 31,318,560 equity shares of ₹ 5 each to 156,592,800 divided into 156,592,800 equity shares of ₹ 1 each.						
March 3, 2005	78,296,400	234,889,200	1	N.A.	Bonus issue in the ratio 1:2[9]	N.A.
September 10, 2007	117,444,600	352,333,800	1	N.A.	Bonus issue in the ratio 1:2[10]	N.A.
October 18, 2007	1,050,000	353,383,800	1	74.30	Conversion of FCCBs[11]	Cash
December 22, 2007	2,100,000	355,483,800	1	74.30	Conversion of FCCBs[12]	Cash
January 14, 2008	70,000	355,553,800	1	74.30	Conversion of FCCBs[13]	Cash
January 7, 2010	1,400,000	356,953,800	1	74.30	Conversion of FCCBs[14]	Cash
January 11, 2010	700,000	357,653,800	1	74.30	Conversion of FCCBs[15]	Cash
January 16, 2010	2,030,000	359,683,800	1	74.30	Conversion of FCCBs[16]	Cash
January 28, 2010	1,120,000	360,803,800	1	74.30	Conversion of FCCBs[17]	Cash
January 30, 2010	1,400,000	362,203,800	1	74.30	Conversion of FCCBs[18]	Cash
February 6, 2010	210,000	362,413,800	1	74.30	Conversion of FCCBs[19]	Cash
February 20, 2010	210,000	362,623,800	1	74.30	Conversion of FCCBs[20]	Cash
March 6, 2010	2,135,000	364,758,800	1	74.30	Conversion of FCCBs[21]	Cash
March 18, 2010	5,985,000	370,743,800	1	74.30	Conversion of FCCBs[22]	Cash
March 31, 2010	3,850,000	374,593,800	1	74.30	Conversion of FCCBs[23]	Cash
April 14, 2010	2,100,000	376,693,800	1	74.30	Conversion of FCCBs[24]	Cash
April 26, 2010	4,200,000	380,893,800	1	74.30	Conversion of FCCBs[25]	Cash
May 18, 2010	4,200,000	385,093,800	1	74.30	Conversion of FCCBs[26]	Cash
June 23, 2010	1,050,000	386,143,800	1	74.30	Conversion of FCCBs[27]	Cash
June 30, 2010	1,400,000	387,543,800	1	74.30	Conversion of FCCBs[28]	Cash
April 23, 2012	4,420,360	391,964,160	1	N.A.	Equity shares issued pursuant to merger of Sumi Motherson Innovative Engineering Limited with our Company[29]	Other than cash
October 5, 2012	195,982,080	587,946,240	1	N.A.	Bonus issue in the ratio 1:2[30]	N.A.
December 24, 2013	293,973,120	881,919,360	1	N.A.	Bonus issue in the ratio 1:2[31]	N.A.
July 28, 2015	440,959,680	1,322,879,040	1	N.A.	Bonus issue in the ratio 1:2[32]	N.A.
September 12, 2016	17,762,460	1,340,641,500	1	317	Preferential issue[33]	Cash

(1) Subscribed by Ms. S.L. Sehgal (100 equity shares) and Mr. Vivek Chaand Sehgal (100 equity shares).

(2) Pursuant to sales agreement between our Company and Motherson Auto Private Limited, assets and liabilities of Motherson Auto Private Limited were transferred to the Company and allotment was made to Motherson Auto Private Limited (609,000 equity shares).

(3) *Pursuant to collaboration agreement between Motherson Auto Private Limited, SWS, and Nissho Iwai Corporation Limited, allotment to SWS (288,000 equity shares) and Nissho Iwai Corporation Limited (180,000 equity shares).*

(4) *Allotment to Mr. K.L. Sehgal (17,500 equity shares), Mr. Vivek Chaand Sehgal (28,800 equity shares), Ms. Renu Sehgal (5,000 equity shares), Ms. S.L. Sehgal (7,000 equity shares), Ms. Vidhi Sehgal (2,500 equity shares), Mr. Laksh Vaaman Sehgal (5,000 equity shares), Ms. Neelu Mehra (2,500 equity shares), Ms. Geeta Soni (2,500 equity shares), Mr. R.P. Aggarwal (16,500 equity shares), Mr. R.K. Aggarwal (16,500 equity shares), Mr. K.S. Sindhu (5,000 equity shares), Mr. Ved Prakash (1,000 equity shares), Mr. Bipin Gujral (2,500 equity shares) and M/s Motherson (10,700 equity shares).*

(5) *Allotment to SWS (72,000 equity shares), Nissho Iwai Corporation Limited (45,000 equity shares), Mr. K.L. Sehgal (29,375 equity shares), Mr. Vivek Chaand Sehgal (10,600 equity shares), Ms. S.L. Sehgal (1,750 equity shares), Ms. Renu Sehgal (1,250 equity shares), Ms. Vidhi Sehgal (1,625 equity shares), Mr. Laksh Vamaan Sehgal (4,250 equity shares), Ms. Neelu Mehra (625 equity shares), Mr. K.S. Sindhu (1,250 equity shares), Ms. Geeta Soni (625 equity shares), Mr. R.L. Agarwalla (10,000 equity shares), Mr. R.P. Agarwalla (10,000 equity shares), Mr. Ved Prakash (250 equtiy shares), Mr. Bipin Gujral (625 equity shares), M/s Motherson (34,875 equity shares), Mr. Brahm Arenja (75,000 equity shares), Mr. Ravi Mathur (500 equity shares), Mr. V.N. Agarwal (200 equity shares) and Mr. V.K. Bhatti (200 equity shares).*

(6) *Allotment to SWS (120,000 equity shares), Nissho Iwai Corporation Limited (75,000 equity shares), Motherson Sehgal Cables (167,000 equity shares), Vaaman Auto Industry (50,000 equity shares), Mr. K.L. Sehgal (15,625 equity shares), Mr. Vivek Chaand Sehgal (14,185 equity shares), Ms. S.L. Sehgal (2,917 equity shares), Ms. Renu Sehgal (2,083 equity shares), Mr. Laksh Vaaman Sehgal (3,083 equity shares), Ms. Vidhi Sehgal (1,375 equity shares), Mr. Brahm Arenja (25,000 equity shares), Mr. Neelu Mehra (1,045 equity shares), Ms. Geetu Soni (1,045 equity shares), Mr. R.L. Agarwalla (5,000 equity shares), Mr. R.P. Agarwalla (5,000 equity shares), Mr. Vipin Gujral (1,042 equity shares), Mr. J.S. Bindra (1,100 equity shares), Mr. S.C. Sharma (1,000 equity shares), Mr. Vivek Avasthi (1,000 equity shares), Mr. A.R. Dabas (1000 equity shares), Ms. Madhu Nanda (1,500 equity shares), Mr. Ravi Mathur (500 equity shares), Mr. S.R. Bansal (500 equity shares), Mr. V.N. Agarwal (500 equity shares), Mr. Rakesh Satwah (500 equity shares), Mr. V.K. Bhatli (500 equity shares), Mr. R.K. Gupta (500 equity shares), Mr. Biju Doral (400 equity shares), Mr. Naveen Ganzu (200 equity shares), Mr. Rajeev Sikand (200 equity shares), Mr. S.K. Chauhan (200 equity shares), Mr. I.M. Sharma (200 equity shares), Mr. K.R. Bhatia (200 equity shares), Mr. Indra Bhatia (200 equity shares), Mr. R.K. Batra (200 equity shares), Mr. R.K. Tyagi (100 equity shares) and Mr. Sanjiv Ahuja (100 equity shares).*

(7) *Bonus issue in the ratio 1:2 authorised by our shareholders through a resolution dated September 19, 1997.*

(8) *Bonus issue in the ratio 1:2 authorised by our shareholders through a resolution dated August 30, 2000.*

(9) *Bonus issue in the ratio 1:2 authorised by our shareholders through a resolution dated February 10,, 2005.*

(10) *Bonus issue in the ratio 1:2 authorised by our shareholders through a resolution dated July 30, 2007 .*

(11) *Allotment pursuant to conversion of FCCBs to Swiss Finance Corp. Mauritius Limited (1,050,000 Equity Shares).*

(12) *Allotment pursuant to conversion of FCCBs to Merill Lynch Capital Markets Espana S.A. S.V (2,100,000 Equity Shares).*

(13) *Allotment pursuant to conversion of FCCBs to Nomura International Plc (70,000 Equity Shares).*

(14) *Allotment pursuant to conversion of FCCBs to Swiss Finance Corp. Mauritius Limited (1,400,000 Equity Shares).*

(15) *Allotment pursuant to conversion of FCCBs to Swiss Finance Corp. Mauritius Limited (700,000 Equity Shares).*

(16) *Allotment pursuant to conversion of FCCBs to Nomura International Plc (280,000 Equity Shares), Deutshce Bank AG London (1,050,000 Equity Shares) and Swiss Finance Corp. Mauritius Limited (700,000 Equity Shares).*

(17) *Allotment pursuant to conversion of FCCBs to Deutshce Bank AG London (1,050,000 Equity Shares) and Swiss Finance Corp. Mauritius Limited (70,000 Equity Shares).*

(18) *Allotment pursuant to conversion of FCCBs to Swiss Finance Corp. Mauritius Limited (1,400,000 Equity Shares).*

(19) *Allotment pursuant to conversion of FCCBs to Nomura International Plc (210,000 Equity Shares).*

(20) *Allotment pursuant to conversion of FCCBs to Swiss Finance Corp. Mauritius Limited (105,000 Equity Shares) and Credit Suisse (Singapore) Limited (105,000 Equity Shares).*

(21) *Allotment pursuant to conversion of FCCBs to Nomura International Plc (210,000 Equity Shares), Swiss Finance Corp. Mauritius Limited (1,400,000 Equity Shares), Credit Industriel et Commercial (350,000 Equity Shares) and VCM Limited, Mauritius (175,000 Equity Shares).*

(22) *Allotment pursuant to conversion of FCCBs to Deutshce Bank AG London (2,485,000 Equity Shares), Credit Industriel et Commercial (1,050,000 Equity Shares) and Brookdale India Value Fund Limited (2,450,000 Equity Shares).*

(23) *Allotment pursuant to conversion of FCCBs to Goldman Sachs Investments (Mauritius) I Limited (1,400,000 Equity Shares) Deutshce Bank AG London (1,050,000 Equity Shares), Swiss Finance Corp. Mauritius Limited (700,000 Equity Shares) and Brookdale India Value Fund Limited (700,000 Equity Shares).*

(24) *Allotment pursuant to conversion of FCCBs to Swiss Finance Corp. Mauritius Limited (700,000 Equity Shares), Deutshce Bank AG London (700,000 Equity Shares) and Nomura International Plc (700,000 Equity Shares).*

(25) *Allotment pursuant to conversion of FCCBs to Swiss Finance Corp. Mauritius Limited (875,000 Equity Shares), Deutshce Bank AG London (1,225,000 Equity Shares) and Brookdale India Value Fund Limited (2,100,000 Equity Shares).*

(26) *Allotment pursuant to conversion of FCCBs to Nomura International Plc (700,000 Equity Shares), Swiss Finance Corp. Mauritius Limited (2,100,000 Equity Shares) and Credit Industriel et Commercial (1,400,000 Equity Shares).*

(27) *Allotment pursuant to conversion of FCCBs to Nomura International Plc (350,000 Equity Shares) and VCM*

Limited, Mauritius (700,000 Equity Shares).

(28) Allotment pursuant to conversion of FCCBs to Copthall Mauritius Investment Limited (1,400,000 Equity Shares).

(29) The High Court of Delhi pursuant to order dated January 30, 2012 approved the scheme of arrangement and amalgamation under Sections 391-394 of the Companies Act, 1956 between Sumi Motherson Engineering Limited, MSSL Global Wiring Limited and India Nails Manufacturing Limited with our Company.

(30) Bonus issue in the ratio 1:2 authorised by our shareholders through a resolution dated September 10, 2012.

(31) Bonus issue in the ratio 1:2 authorised by our shareholders through a resolution dated December 11, 2013.

(32) Bonus issue in the ratio 1:2 authorised by our shareholders through a resolution dated July 15, 2015.

(33) Preferential issue to SWS (17,762,460 Equity Shares).

To ensure that the shareholding of SWS in our Company is maintained at above 25%, our Company has issued 17,762,460 Equity Shares to SWS, one of our promoters, on September 12, 2016, through a preferential issue as permitted under Chapter VII of the SEBI ICDR Regulations and other applicable laws. The Preferential Issue to SWS has been approved by our shareholders' resolution passed at the AGM dated August 31, 2016.

DIVIDENDS

The declaration and payment of dividend will be recommended by the Board of Directors and approved by the shareholders at their discretion and will depend on our Company's revenues, cash flows, financial condition (including capital position) and other factors. The Board may also from time to time pay interim dividends. The declaration and payment of equity dividend would be governed by the applicable provisions of the Companies Act and Articles of Association of our Company.

The following table details the dividend declared by our Company on a standalone basis on the Equity Shares for the Fiscal Year 2016, 2015 and 2014:

(In ₹ million other than rate of dividend and dividend per equity share)

Particulars	Year ended March 31, 2016 #	Year ended March 31, 2015	Year ended March 31, 2014
Rate of dividend*	250%	300%	250%
Dividend amount	3,307	2,646	2,205
Tax on dividend	467	539	375
Dividends per Equity Share	2.50	3.00	2.50

**Rate as a percentage of the face value of the Equity Shares. Face value of each Equity Share is ₹1/-*

 # Interim dividend paid during year ending March 31, 2016 as approved vide Board meeting dated March 16, 2016.

For a summary of certain Indian tax consequences of dividend distributions to shareholders, please see section "***Taxation***" on page 202 of this Placement Document.

Further, the amounts paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid or that amount thereof will not be decreased in the future.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

We encourage you to read the following discussion in conjunction with the section entitled "Summary Financial Data" and "Summary of Significant Differences among Indian GAAP, IFRS and Ind-AS", as well as with our financial statements and the related notes thereto included elsewhere in this Placement Document. The following discussion includes forward-looking statements which, although based on assumptions that we consider reasonable, are subject to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied by the forward-looking statements. For a discussion of some of those risks and uncertainties please refer to the sections entitled "Forward-Looking Statements" and "Risk Factors."

*While we have historically prepared our financial statements in accordance with Indian GAAP, including our financial statements as of and for the fiscal years ended March 31, 2014, 2015 and 2016, and as of June 30, 2016 and for the three months ended June 30, 2015 and 2016, we are transitioning to preparing and auditing our financial statements in accordance with Indian Accounting Standards ("**Ind-AS**") as required by the "Companies (Indian Accounting Standards) Rules, 2015" on February 16, 2015, and this section includes a discussion of certain financial results for the three months ended June 30, 2016 which were prepared under Ind-AS. See "**Summary of Significant Differences Among Indian GAAP, IFRS and Ind-AS**".*

The financial statements prepared under Indian GAAP and discussed in this section reflect applicable statutory requirements, regulatory guidelines and accounting practices in India. These requirements, guidelines and practices change from time to time and, in accordance with Indian GAAP, adjustments to reflect such changes are made on a prospective basis and the financial statements for earlier periods are not restated. For the purposes of a comparative analysis in the discussion below, previous years' figures have been reclassified wherever necessary.

Our fiscal year ends on March 31. Accordingly, all references to a particular fiscal year are to the 12-month period ended on March 31 of that year. Our first quarter ends on June 30. Accordingly, all references to a particular first quarter are to the three month period ended June 30 of that year. Unless otherwise specified, U.S. dollar translations of ₹ amounts as of June 30, 2016, have been provided at a rate of U.S.$1.00 = ₹67.62, which was the RBI rate as of June 30, 2016.

Overview

Motherson Sumi Systems Limited ("**MSSL**") is the flagship company of Samvardhana Motherson Group ("**SMG**"). SMG is one of the leading suppliers to the global automotive industry. Established in 1975, SMG is a full systems solution provider with a diversified, industry-leading portfolio of auto ancillary products and services that focus principally on the automotive industry in India and outside of India. SMG recorded a gross revenue of U.S.$7.2 billion during Financial Year 2016.

As one of the globally-preferred partners by customers, SMG has a well-balanced customer base spread across five continents with more than 180 facilities and a global network of modern design centers in 25 countries across North America, South America, Europe, South Africa, Middle East, Asia Pacific and Australia.

SMG believes that its core competitive advantage is its ability to manufacture top quality products that cater to customer needs across various industries based on its innovative efforts and dedication to quality and customer service. SMG's diverse portfolio comprises electrical distribution system (wiring harness), rear view mirrors, polymer processing, injection molding tools, elastomer processing modules and systems, including cock pits and instrument panels, door trims, bumpers, lighting systems, air intake manifolds, pedal assemblies, heating, ventilation and air conditioning systems ("**HVAC systems**"), machined metal products, IT services, engineering and design, computer-aided engineering ("**CAD**") services, cabins for off-highway vehicles, environment management systems (waste recycling technology), cutting tools and thin film coating metals. Through joint venture agreements, SMG also has invested in technologies that provide manufacturing support, including compressors, paint coating equipment, auxiliary equipment for injection molding machines and automotive manufacturing engineering services.

MSSL was formed in 1986 as a joint venture between SMG and Sumitomo Wiring Systems ("**SWS**"). SWS, which is a wholly-owned subsidiary of Sumitomo Electric Industries Japan, is one of the leading suppliers of wiring harness, components and wires globally. Since its inception, we have evolved into a full systems solutions provider and cater to a diverse range of customers in automotive and other industries across the world, including non-automotive industry and consumer durables such as high-precision machine metal components and assemblies. Our diverse business portfolio comprises wiring harnesses, passenger car mirrors, polymers and elastomers in addition to our other products/business portfolio that includes plastic components and modules such as cockpits, bumpers and interior trim polymer, interior and exterior polymer modules, polymer components and tool manufacturing, elastomer processing and precision metal machining services.

Our core focus is customer service. We service our global customers by having our facilities in proximity to our customers in the region to supply our products and services. From our facilities, we provide our wide range of services including design, development, prototyping and validation across the entire development phase for the OEMs. As of the date of this Placement Document, we had presence in 25 countries from over 136 manufacturing facilities, supported by technical centers, sales offices, research and development centers across the world. We operate in some of the key foreign markets such as Germany, Spain, Hungary, the U.S., Mexico and Korea.

As of June 30, 2016, we have worked with 14 of the top 15 global OEMs by production volume according to LMC Automotive. In addition, we believe we currently hold one of the leading market shares in our key product segments namely rear view mirrors, instrument panels and door panels in our key geographies namely Europe, Americas and Asia Pacific, particularly in the premium segment (which includes brands such as Audi, BMW, Daimler, Lamborghini, Sear, Aston Martin and others), on which we are especially focused. Certain awards and recognitions that we have received include "Best Performance Award" in 2015 by Daimler, "Global Partner for Daimler" at the Daimler Supplier Award 2014, Toyota Regional Contribution Award, 2014, Volkswagen Group Supplier Award 2015, Ford South America Supplier of the Year Award in 2014, and recognized for its overall excellence, design and development, safety, respectively, from Maruti Suzuki in Financial Year 2015-2016. We were also selected as Volkswagen's "Future Automotive Supply Tracks (FAST)" program partner, which is Volkswagen's strategic partner program initiative that seeks to strengthen its relationship with its suppliers.

We operate our business through four key divisions:

Wiring harness division

Our wiring harness division is one of the market leaders in wiring harnesses for the passenger car segment in India and for the commercial and construction vehicle segment in India and abroad. We provide complete solutions-based services and products, from designs of basic vehicle schemes, development, prototyping, validation and manufacturing of wiring harnesses for passenger cars, commercial vehicles, two and three-wheelers, multi-utility vehicles, farm and material-handling equipment and off-road vehicles. We also manufacture specialized wiring harnesses for large electronic merchandises (white goods), office automation equipment, medical diagnostic equipment and other electrical equipment. Our wiring harness facilities are present across India, Mexico, Sri Lanka, UAE, Thailand, the U.S., the U.K., Japan, Italy, Germany and Korea. We also have a backward integration for manufacturing copper wires that are used to manufacture wiring harnesses, which enables us to ensure quality and have better control over logistics for timely delivery. For Financial Year 2016, our wiring harness division comprised 16% of our total gross sales of products.

Rearview Mirrors division

Our rearview mirrors division, which we operate through our subsidiary Samvardhana Motherson Reflectec ("**SMR**"), is one of the world's largest manufacturers of mirrors for passenger vehicles and manufacturers a wide range of interior and exterior rear view vision systems and related components including low cost mirrors to highly complex mirrors with various electronic features. Based on the global market assessment for such products which is available from LMC Automotive, we believe that we had a very significant market share of the global market for exterior mirrors and a significant share of the global market for interior rear view mirrors in Financial Year 2016. Based in Stuttgart, Germany, SMR operates 20 manufacturing facilities in 12 countries across Europe, Asia and the Americas. SMR business philosophy is continuous innovation in engineering and design and developing technologically advanced features that also enhance safety, comfort and aesthetics.

Our exterior rear view vision systems product line ranges from basic, manually-adjusted rear view vision systems to high-value rear view vision systems with multiple integrated features, including automatic dimming electro-chromic glass, electric power-folds, heated glass and integrated turn signals. In addition to the development and production of traditional exterior rear view vision systems, SMR also develops, produces and integrates a wide variety of mirrors including interior mirrors, blind spot detection systems, side-turn indicator lamps, assist system lighting systems and telescopic trailer tow mirrors. We believe that SMR's innovative efforts, use of latest technology and worldwide network of experts and production facilities enable SMR to remain one of the leading global suppliers of exterior automotive mirrors. SMR has its headquarters in Germany and has manufacturing facilities in the U.K., the U.S., Mexico, Spain, France, Hungary, China, South Korea, Australia, Brazil, Thailand and India. For Financial Year 2016, our rearview mirrors division comprised 27% of our total gross sales of products.

Polymer and module processing division

Our polymer and module processing division manufactures high-level polymer modules and process and tooling operations for interior and exterior and under bonnet components for various vehicle segments. Our product lines include small components and assemblies to large components such as cockpits and instrument panel modules, door trim modules, center consoles, full body panels and pillar trim, bumper modules and fascia, front end module and carriers. Motherson Automotive Technologies and Engineering ("**MATE**"), a division of our Company, operates our polymer and module processing division in India. In addition, we operate our polymer business through our different subsidiaries in South Africa, Emirate of Sharjah and the Czech Republic.

A majority of our polymer and module processing division is carried out under SMP, which was formed as a result of our acquisition of Peguform in 2011. SMP is currently one of the largest manufacturers of instrument panels, door trims and bumpers in Europe. Our polymer and module processing division is spread across different countries in Europe, Asia Pacific, South Africa and the Americas.

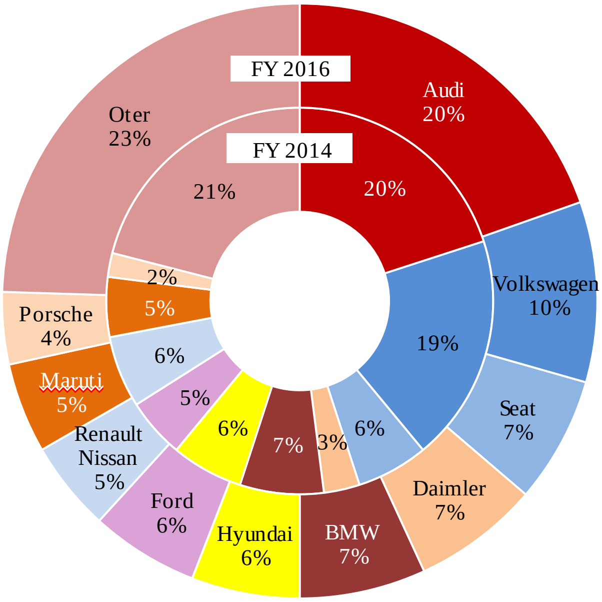
Our polymer and module processing division also produces high precision components, aesthetic and assembled parts, and offers tailored solutions for plastic part requirements of customers. We manufacture products for a number of market segments, providing solutions from cost-optimized molding technologies to high-quality leather surfaces and real stitching on polymer, soft-painted or metalized surfaces. For Financial Year 2016, our polymer and module processing division comprised 55% of our total gross sales of products.

Based on the global market assessment for such products which is available from LMC Automotive, we believe that we had a very significant market share of the global market for door panels and a significant share of the global market for bumpers and instrument panels in Financial Year 2016. Our polymer and module processing division operates through 52 manufacturing facilities across India, the U.S., Hungary, Czech Republic, UAE, South Africa, Brazil, China, Germany, Mexico, Portugal, Slovakia and Spain, as of the date of this Placement Document.

Elastomer processing division

Our elastomer processing division, has several sub-divisions including rubber injection molding (which supplies a wide range of rubber components such as grommets, boots, bellows, gaskets, seals, water strike back valves, damper rings, nozzles), as well as rubber to plastic and rubber to metal bonding products. We believe our elastomer division's strength lies in its strong capabilities in developing rubber compounds for a wide range of applications as well as its non-tire-related rubber mixing plant in Australia. We operate our elastomer processing division through Motherson Automotive Elastomers ("**MAE**") which has two manufacturing units in India (Chennai and Noida) as well as through our wholly-owned subsidiary, Motherson Elastomers Pty Ltd. ("**MEPL**") in Australia. For Financial Year 2016, our elastomer processing division comprised 2% of our total gross sales of products.

As of August 18, 2016, our market capitalization was U.S.$6.6 billion. During the Financial Year ended March 31, 2016, our operating revenues from operation (net) were ₹383,952 million and our total revenues (excluding interest income) were ₹386,890 million.



Note: Total revenue from operation in above chart excludes sales of services and other operating revenue of ₹ 3,617 million for Financial Year 2016 and ₹ 700 million for Financial Year 2014.

Recent Developments since March 31, 2016, which could affect our results of operations

Our Company has released its unaudited consolidated and standalone financial results for the three months period ended June 30, 2016 under Ind-AS to the Stock Exchanges, which are provided below.

Recent Developments

Our Company, through one of its step-down Subsidiaries, MSSL Manufacturing Hungary Kft., is proposing to acquire the automotive business unit (comprising certain land, building and machinery) of Ábrahám és Társa Kft., a company incorporated in Hungary. Ábrahám és Társa is engaged in the business of plastic processing and other quality products for car makers across Europe. Through this acquisition, our Company intends to increase its European presence and provide a base for expansion of manufacturing of small to medium sized polymer parts, primarily to support the operations of the upcoming greenfield facility of SMP.

Significant factors affecting results of our operations

We believe that the following factors have significantly affected our results of operations and financial condition during the periods under review, and may continue to affect our results of operations and financial condition in the future.

Macroeconomic and market conditions affecting the automotive industry

Our revenues are primarily derived from our sales of automotive components to our global OEM customers operating mainly in the light vehicle industry and, as a result, our operations are affected by general trends in the automotive industry. For instance, factors such as macroeconomic conditions, particularly widespread or prolonged changes in consumer confidence and spending on light vehicles affect our business and results of operations. In addition, fluctuations in interest rates, exchange rates and inflation rates may have a material effect on key aspects of our operations as well as cost of financing for the ultimate consumers of vehicles that contain our products, including the cost of our raw materials and the costs of borrowing required to fund our operations. Other key macroeconomic drivers which have historically affected the automotive industry and which can therefore impact our results of operations are increasing urbanization and industrialization (particularly in emerging economies), increasing industrial and infrastructure construction, increasing per capita disposable income in emerging economies, growing environmental awareness and demand for alternative energy.

Our business depends on the demand for light vehicles and production by our OEM customers, which, in turn, depend, to a large extent, on general economic conditions in the countries, regions and localities in which our customers operate, as well as the economic conditions that affect their customers. While we believe that our diversification across products, markets, geographies and customers reduces, in part, our sensitivity to economic cycles in certain geographies and markets, we are particularly affected by factors affecting the light vehicle industry in Europe, the Asia-Pacific region and the Americas. In recent years, SMR has experienced significant growth in the Americas (including Mexico and the United States) driven by the economic recoveries in such markets, and SMP has experienced significant growth in Spain, Germany and China driven by an increase in customer orders. A deterioration in economic conditions in any of our key markets that is widespread, pronounced and/or long-lasting, such as the global financial crisis in 2008 and 2009, could have a significant impact on our results of operations and financial condition. For a more detailed discussion of the global automotive component industries, see "***Industry Overview***".

Purchasing patterns of our significant customers and contract terms

Customer Demand and Contract Terms

The demand for our products from OEMs has a significant impact on our results of operations and new orders have been a significant driver of our growth. For instance, since 2011 we have been awarded significant new orders with various OEMs, including Daimler, BMW, Audi and Ford. In 2015, we were awarded a significant order of €2.2 billion from Daimler for the North America and European markets for their new models as single largest order from any OEM. Other metrics employed by OEMs when selecting suppliers include supplier reliability, research and development capabilities, cost-competitiveness, financial stability and geographic footprint. See "***Our Business—Customers***". Once we are awarded a contract, we typically enter into master agreements with the OEM for the supply of our products. However, consistent with the practices of the automotive component industry, the terms and conditions of our agreements with customers do not typically include a commitment by the OEMs to make minimum volumes of purchases. As a result, even after we are awarded contracts, our sales continue to be affected by the demand for our products from our customers. Given our ongoing high level of dependence on our five largest customers (Audi, Volkswagen, SEAT, Daimler and BMW), which accounted for 51% of our revenues for the fiscal year ended March 31, 2016, our results of operations are particularly affected by the demand for our products from such customers. Such demand is driven by the production levels of our customers, which are affected by consumer demand for their vehicles. We are typically unable to predict when our customers will decide to either build or reduce inventory levels or whether new inventory levels will approximate historical levels. Although most of our existing customers provide us with forecasts of business volumes which enables us to plan our production and predict our income for a portion of our business. In circumstances in which the production volumes differ significantly from the original projected volumes in our contracts with our customers, such customers generally provide limited compensatory relief in the form of the acceptance of price adjustments or other similar compensation designed to offset the potential financial loss resulting from lower than forecasted volumes.

Our customer contracts usually provide for the supply of our products for a particular vehicle model and assembly plant for a specified time period, which generally ranges from three to five years. Our customers typically indicate annual volumes of our products in the contracts. Contracts are often subject to a mid-cycle refresh action, as is common in the case of certain products including bumper assemblies, which may range from three to four years. Our customer contracts typically provide customers with the contractual right to unilaterally terminate such contracts with no or limited notice. However, in the automotive component industry, once a project has been nominated to a preferred supplier, it is not common for an OEM to switch to another supplier, given the significant operational, technical and logistical costs of switching, particularly during any specific vehicle model's life cycle, which typically spans several years. We are often chosen to supply the subsequent generation of a particular car model due to long development times, operational and technological expertise gained over the lifecycle of a vehicle program and the large investment required to establish the production and supply processes. Given these factors, while the actual revenues which we derive from a project ultimately depend on our OEM customers' production volumes achieved for the respective vehicle models, we have a high degree of visibility on mid-term revenues within a relatively small range of sensitivity. We calculate our order book based only for those vehicle models which we have not entered into production. Once a vehicle model enters into production, we subtract from our order book even if there will be, for example, five years for which we will supply the components for that specific model vehicle. Our order book is diversified across geographies and customers and we believe the potential revenue realization from these contracts positions us well for growth in the mid-term, particularly given the projected growth in global light vehicle production, including the expected recovery of volumes in Europe according to LMC Automotive. However, the contracts comprising our order book contain no minimum volume purchase requirements and there can be no assurance that the assumptions we have used in calculating our expected revenue from these contracts, such as projected OEM production volumes, will be correct. See "*Risk Factors—Risks Relating to Our Business—Our order book may not be indicative of our future revenue.*" In situations where contracts are terminated by customers, our ability to obtain compensation from our customers for such termination is generally limited to the direct out-of-pocket costs that we incur for materials and work-in-progress and in certain instances, undepreciated capital expenditures and tooling.

Product Pricing

Our OEM customers are active in competitive industries and face constant pressure to cut their selling prices and production costs. Accordingly, component pricing is one of the key metrics by which OEMs choose suppliers for their vehicle programs. As a result, we have in the past and will likely continue to experience pressure to reduce our prices. Many automotive OEMs, for example, have annual price reduction policies and objectives with their suppliers. Price reductions are typically agreed on an annual basis as part of our long-term customer contracts and can vary by market or region, taking into account the OEM's specific economic objectives. In line with industry practice, the average effective reduction in product price agreed in this manner typically ranges up to 2% to 3% per annum on a per-unit basis. When negotiated price reductions are expected to be retroactive, we account for such amounts as a reduction of revenues as products are shipped. During the life cycle of a contract we are typically able to achieve certain production efficiencies, which enables us to offset a portion of the effect of price reductions on our margins during the term of the contract. Certain of such pricing reductions are conditional upon achieving certain joint cost-saving targets with our OEM customers. To the extent we are not able to achieve the efficiencies necessary to offset the price reductions, such price reductions negatively impact our revenues and margins.

We expect such pricing pressure to continue in the future. Accordingly, we endeavor to continue to innovate and introduce new products and applications as well as to continue to carefully manage and reduce our operating costs in order to maintain our current margins and competitive position. For example, our purchasing teams work in close coordination with suppliers to extract discounts to reduce our purchasing cost. In addition, our engineering and manufacturing teams work on various product cost-optimization projects to reduce manufacturing costs, improve supply chain logistics and optimize the packaging of our products in order to reduce the cost per unit. Taken together these actions help to enable us to offer price reductions to our customers without affecting our margins, however there can be no assurances that we will continue to achieve sufficient cost savings in the future, which could affect our ability to offer reduced prices to our customers.

Operating Costs

Cost of Materials

Purchases of raw materials and pre-constructed components for the manufacture of our products, plus the associated manufacturing costs, account for a significant portion of our overall expenditure. During the years under review, our largest purchases of raw materials and pre-constructed components by value included actuators, wire harnesses, vision systems, resins, paint materials, electrical parts, plastic parts and aluminum dies casting components. The prices for the raw materials and pre- constructed components we use are influenced by, among other factors, changes in global economic conditions, industry cycles, demand-supply dynamics, attempts by individual producers to capture market share and market speculation. The price for each of our major raw materials has remained stable over the past three fiscal years, and our profit margins have not been materially affected by changes in commodity prices. Moreover, our contracts sometimes include a mechanism whereby we can pass through increases in the costs of raw materials to our OEM customers, helping to reduce the effect on our margins relating to volatility in the prices of our raw materials. Alternatively, we may periodically renegotiate price adjustments with our customers. For the three months ended June 30, 2016, and for the fiscal years ended March 31, 2014, 2015 and 2016, our total cost of materials consumed on a consolidated basis was ₹64,869 million, ₹193,614 million, ₹216,315 million and ₹231,672 million, respectively, and as a percentage of total revenues represented 60.3%, 63.0%, 61.7% and 59.8%, respectively. This variation in total cost of materials as a percentage of total revenue is driven primarily by improvements to our increased vertical integration initiatives, scrap reduction, improved manufacturing efficiencies and change in product mix. For example, SMR has in-sourced various inputs previously purchased from external vendors by expanding in-house manufacturing capacities, including the production of mirror glass in South Korea, Mexico, Thailand and India, actuators and power-fold mechanisms in South Korea, Australia and France and plastic and painted components at various plant locations globally. We are also backward-integrated in terms of sourcing wires for making wiring harnesses. Our wiring units manufacture wires from copper and polyvinyl chloride in its own facilities. SMR also sources its wiring harness requirements internally. SMP sources tools and certain plastic parts from other SMG entities, at arm's length pricing with an improved costing structure as compared with prices previously obtained from third parties. See "***Certain Relationships and Related Party Transactions*** **" and "*****Risk Factors—We have entered into, and will continue to enter into, related party transactions, and there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties***." We have a broad and diversified supplier base for each of the major raw materials and pre-constructed components we purchase, and believe that we will be able to procure sufficient substitute supply in the event of a loss of one or more of our major suppliers. See "***Our Business—Supply and Sourcing of Materials***."

Our contracts with most of our suppliers are typically of a specified duration and subject to renegotiation usually on an annual basis. Raw materials such as copper and resin are usually subject to these periodic renegotiations based on market fluctuations whereas materials such as component parts, which have low commodity exposure, are generally on a fixed basis. We attempt to align our supplier requirements with the projected demand from our OEM customers, and provisions relating to volume estimates may impact our ability to effectively increase or decrease our raw material or pre-constructed component purchases in accordance with our actual production requirements under our program contracts. Consistent with the practices of the automotive component industry, the terms and conditions of our customer contracts do not typically include a commitment by the OEMs to make minimum purchase volumes, and in our supplier contracts we have significant flexibility to increase or decrease purchases from our third-party suppliers in response to customer demand.

We are typically successful in negotiating adjustments to the prices of our products to account for changes in materials costs. Such price adjustments based on cost changes occur at periodic intervals, either annually as part of our assessment of the overall economics of a particular contract, or semi-annually in the event that a specific contractual mechanism is applied to address changes in our cost structure. Accordingly, there is generally a time lag between changes in our costs and any adjustments to our prices, and we are typically compensated retroactively by our customers in the event of any such gap. In addition, due to the specialized nature of the pre-constructed components we integrate in our manufacturing process, a significant percentage of our suppliers are nominated by our OEM customers. The contracts governing our relationships with such suppliers typically allow us to pass on any raw materials price increases/decreases to the customer. Such cost pass-throughs and agreed price adjustments in our contracts with our customers, largely mitigate the effect of commodity price fluctuations. See "***Risk Factors—Risks Relating to Our Business—We depend on our suppliers, some of whom are our competitors, for the supply of raw materials and components that are critical to our manufacturing processes*** **" and "*****—Volatility in the prices of raw materials or pre-constructed components on which we rely could adversely affect our results of operations and cash flows***."

Personnel costs

Our aggregate personnel costs comprise our second largest cost and have a significant effect on our results of operations. Our total personnel costs generally comprise personnel costs in respect of manufacturing operations, sales and distribution, research and development and general and administrative expenses. Personnel costs also include the cost of contract workers used in various manufacturing processes. Since our workforce requirements are ultimately dependent upon our production volumes, the use of temporary workers allows us the flexibility to expand or reduce our workforce depending upon business volume. We employ a significant number of employees based on short-term contracts to maintain operational flexibility.

The following table sets forth our employee benefit expenses for the fiscal years ended March 31, 2014, 2015 and 2016.

	Fiscal year ended March 31,		
	2014	**2015**	**2016**
	(₹ millions, except for percentages)		
Salaries, wages and bonus	43,858	54,892	63,659
Contribution to provident & other fund	5,595	6,642	7,464
Staff welfare expenses	1,611	1,962	2,589

Restructuring / severance costs	-	156	285
Total	**51,064**	**63,652**	**73,997**
Employee benefit expenses as a percentage of total revenue	16.6%	18.2%	19.1%

Other expenses

Other expenses also have a significant effect on our results of operations. Such expenses are comprised primarily of electricity, water and fuel costs, repair and maintenance costs, lease rent costs, freight and forwarding costs, legal and professional fees and other general administrative costs. Expenses associated with energy costs, repair and maintenance costs and freight and forwarding costs are generally variable in nature based on volumes sold, while the remainder of other operating costs are not tied to production. Increases in sales typically result in a corresponding increase in such variable costs while semi-variable/fixed costs do not increase in the same proportion, which leads to improvement in overall margin.

The following table sets forth our other expenses for the fiscal years ended March 31, 2014, 2015 and 2016.

	Fiscal year ended March 31,		
	2014	**2015**	**2016**
	(₹ millions, except for percentages)		
Electricity, water and fuel	5,945	6,152	6,408
Repairs and maintenance			
Machinery	3,178	3,606	4,081
Building	1,002	939	1,343
Others	749	767	1,177
Consumption of stores and spare parts	1,758	1,916	2,149
Lease rent (operating leases)	3,168	3,768	4,388
Travelling	1,588	1,730	1,850
Freight & forwarding	3,701	4,124	4,575
Legal & professional expenses	2,962	3,358	3,483
Others(1)	11,579	11,965	14,286
Total	**35,630**	**38,325**	**43,740**
Other expenses as a percentage of total revenue	11.6%	10.9%	11.3%

Note:

(1) Includes conversion charges, excise duty expenses, rates & taxes, insurance, net loss on foreign currency transaction, donation, royalty, cash discount, commission, provision for diminution in value of investments (net), bad debts/advances written off, provision for doubtful debts/advances, business interruption cost and miscellaneous expenses.

Expansion of Operational Footprint and Capital Expenditures

We have expanded our global footprint significantly over the three years ended March 31, 2016 and such expansion has affected our results of operations, including the depreciation and amortization we incur each year as a result of the significant capital expenditures we have incurred in relation to such expansion. Such capital expenditures primarily relate to the building of new manufacturing plants or the increasing of capacity in existing plants in response to new orders from our customers. Our growth strategy includes expanding our operations in line with our customers' growth in emerging markets, and we continuously assess the need for new plants or the expansion of existing facilities to match increasing customer orders. In the last three fiscal years, we incurred significant capital expenditures in expanding our footprint and enhancing our existing capacities. For example MATE, a division of our Company, has set up a manufacturing plant in Sanand (Gujrat, India) and is currently setting up a manufacturing plant in Walajabad (Chennai, India). Our 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), India.

SMR established new facilities in Brazil, Thailand, Hungary, India, the United States and China, and expanded capacity in Mexico and Spain. In the fiscal year ended March 31, 2016, SMR also completed construction of a new plant in the United States to meet increasing customer orders. After our acquisition of SMP, we made significant capital expenditures related to Greenfield projects in Germany, Mexico and China, the replacement of paint facilities in Germany and Spain and capacity expansions in Germany. In the fiscal year ended March 31, 2016, SMP started construction of two greenfield plants in Tuscaloosa, U.S. and Kecskemét in Hungary. The establishment period for new manufacturing facilities typically ranges between 12 and 24 months, and our capital expenditure is used primarily for investments in property, plant and equipment associated with the construction and equipment of new manufacturing facilities. Once the construction of a manufacturing facility is completed, the output of that facility generally increases over time, with the aim of keeping pace with customer's production ramp-up schedules. In addition, capitalized development expenses begin to be amortized, typically on a straight-line basis over the estimated useful life of the related project.

We also typically commit to significant capital expenditure on behalf of our customers at the outset of the contract. Such capital expenditures primarily relate to the creation of additional capacity, purchases of equipment, modification of infrastructure and design of processes. When next programs or vehicle models are required, usually at the end of a vehicle cycle, "renewal" or "replacement" capital expenditure is also required in order to adapt existing infrastructure to accommodate new assembly and process design, usually at levels significantly below the expenditure required to create the capacity in the first place. Once a project is ongoing, maintenance capital expenditure is limited and somewhat predictable.

Capital expenditure (cash outflow from purchase of tangible and intangible assets less cash inflow from sale of tangible and intangible assets) incurred for the three months ended June 30, 2016 and for the fiscal years ended March 31, 2014, 2015 and 2016 were ₹5,091 million (U.S.$75 million), ₹13,517 million, ₹18,390 million and ₹20,236 million, respectively. See " — ***Capital Expenditure***." The non-maintenance capital expenditure is expected to be incurred to enable us to expand our global footprint further in line with our customers' expansion. For instance, we expect such capital expenditures will be used towards our new plants that are currently under construction in the China, U.S., Hungary and Mexico. Expected future maintenance and improvement capital expenditures relate to the improvement of our various plants to meet stringent quality expectations from customers, improve productivity and efficiency.

Explanation of income statement items

Revenue

Revenue is measured at the fair value of the consideration received and represents the amounts received or receivable for the goods and services provided in the normal course of business, net of discounts, value added tax and other recoverable sales-related taxes. Revenue includes revenue on sales of products and ordinary revenue from the provision of services, as well as revenue from our module assembly business, which entails the assembly and sequencing of cockpits, including from largely OEM-directed and purchased components.

Other income

Other income primarily consists of government grants and subsidies, export incentives such as duty drawback, proceeds from insurance company, interest income, dividend income, income from rent and others.

Cost of materials consumed

Our total cost of materials consumed includes purchases of raw materials, purchases of goods and tools for resale, discounts for prompt payment, purchase returns and similar transactions, volume discounts, changes in inventories, consumption of other supplies and purchase of pre-constructed components.

Purchase of stock-in-trade

Purchase of stock-in-trade comprises our purchase of finished good (tools and molds) sold by third parties.

Changes in inventories of finished goods, work-in-progress and stock in trade

Changes in inventories of finished goods, work-in-progress and stock in trade are incurred in the ordinary course of manufacturing and sales.

Employee benefit expenses

Our employee benefit expenses comprises salary, wages and bonus, contribution to provident & other fund, staff welfare expenses and restructuring/severance costs. Employee benefit expenses are primarily driven by the size of our operations, our geographical reach and customer requirements.

Others

Others primarily consists of general administrative expenses, energy costs, repair and maintenance costs, rental and lease costs, freight and forwarding costs, bad debt and advances written off, auditors remuneration, net foreign exchange loss and legal and professional fees.

Tax expenses

Tax expenses represents the sum of tax currently payable, fringe benefit tax, and deferred tax under the laws of each jurisdiction in which we do business.

Results of operations

The following tables set forth certain of our historical revenue and expense items for the periods indicated below.

	For the three months ended June 30,		
	2015	**2016**	**2016**
	(₹ millions)		(in U.S.$ millions)(1)
Revenue from operations (gross)	94,621	109,052	1,613
Less: Excise Duty	1,605	1,908	28
Revenue from operations (net)	**93,016**	**107,144**	**1,585**
Other income	1,079	475	7
Total	**94,095**	**107,619**	**1,592**
Expenditure			
Cost of materials consumed	57,638	66,262	980
Purchase of stock-in-trade	416	578	9
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(469)	(1,971)	(29)
Employee benefits expense	17,828	20,892	309
Other expenses	10,104	12,360	183
Total	**85,517**	**98,121**	**1,451**
Profit before finance cost, depreciation, exceptional items and tax	**8,578**	**9,498**	**141**
Depreciation and amortisation expense	2,346	2,796	41
Profit before finance cost	**6,232**	**6,702**	**99**
Finance cost	683	802	12
Exceptional items (income)/ expense	246	332	5
Profit before tax	**5,303**	**5,568**	**82**
Tax expenses	1,638	2,017	30
Profit after tax before share of results of associates and minority interests	**3,665**	**3,551**	**53**
Minority Interest Profit	1,006	960	14
Share of net profit / (Loss) of associates	(1)	(3)	(0)
Profit for the period	**2,658**	**2,588**	**38**

Earnings per share (₹)			
Basic	2.01[(2)]	1.96	0.03
Diluted	2.01[(2)]	1.96	0.03

Note:

(1) For the reader's convenience, U.S. dollar translations of ₹ amounts as of June 30, 2016, have been provided at a rate of U.S.$1.00 = ₹67.62, which was the RBI rate as of June 30, 2016.

(2) Earnings per share for the three months ended June 30, 2015 and 2016, respectively, has been adjusted with respect to the issue of bonus shares issued on July 28, 2015, in the ratio of 1 share for every 2 shares held.

	Fiscal year ended March 31,		
	2014	2015	2016
		(₹ millions)	
Revenue			
Revenue from operations (gross)	309,974	352,665	391,102
Less: Excise duty	5,695	5,934	7,150
Revenue from operations (net)	304,279	346,731	383,952
Other income	3,106	3,764	3,209
Total	307,385	350,495	387,161
Expenses			
Cost of materials consumed	195,557	221,855	230,837
Purchase of stock-in-trade	1,093	2,189	3,297
Changes in inventories of finished goods, work-in-progress and stock in trade	(3,036)	(7,729)	(2,462)
Employee benefit expenses	51,064	63,652	73,997
Other expenses	35,630	38,325	43,740
Total	280,308	318,292	349,409
Profit before finance cost, depreciation, exceptional items and tax	27,077	32,203	37,752
Finance costs	2,943	3,178	2,706
Profit before depreciation, exceptional items and tax	24,134	29,025	35,046
Depreciation and amortization expense	8,172	9,206	11,357
Exceptional items (income)/expense	-	1,648	291
Profit before tax	15,962	18,171	23,398
Tax expenses			
Current tax[(1)]	5,168	6,064	7,075
Deferred tax expense/(credit)	(209)	(846)	(1,288)
Fringe benefit tax	35	38	49
Profit after tax before share of results of associates and minority interest	10,968	12,915	17,562
Profit for the year	7,650	8,625	12,737
Earnings per share			
Basic: ₹ per share	5.78[(2)]	6.52[(1)]	9.63
Diluted: ₹ per share	5.78[(2)]	6.52[(1)]	9.63

Note:

(1) Current tax expense includesreversal of provision for income tax for earlier years due to completion of tax assessment of the our Company.

(2) Earnings per share for the three months ended June 30, 2015 and 2016, respectively, has been adjusted with respect to the issue of bonus shares issued on July 28, 2015, in the ratio of 1 share for every 2 shares held.

Comparison of results of operations for the three months ended June 30, 2016 and 2015

Revenue from operations

Total revenue from operations increased by ₹14,128 million, or 15.19%, to ₹107,144 million (U.S.$1,584.5 million) for the three months ended June 30, 2016, from ₹93,016 million for the three months ended June 30, 2015, primarily due to increase in sales of our products from our existing and new facilities.

Other income

Other income decreased by ₹604 million, or 55.98%, to ₹475 million (U.S.$7.02 million) for the three months ended June 30, 2016, from ₹1,079 million for the three months ended June 30, 2015, primarily due to settlement claim for damage caused at SMP Automotive Technology Iberica S.L. plant in Spain and gain on transfer of interest in the joint venture with Woco Franz Josef Wolf Holding GmbH during quarter ended June 30, 2015, amounting to ₹219 million.

Cost of materials consumed

Total cost of materials consumed (which includes cost of materials consumed, purchase of stock in trade and changes in inventories of finished goods, work in progress and stock in trade) increased by ₹7,284 million, or 12.65%, to ₹64,869 million (U.S.$959.32 million) for the three months ended June 30, 2016, from ₹57,585 million for the three months ended June 30, 2015, primarily due to increased production levels on account of increased demand for our products. As a percentage of total revenue, the total cost of materials consumed remained steady at 61.20% for the three months ended June 30, 2015 compared to 60.28% for the three months ended June 30, 2016.

Employee benefit expenses

Employee benefit expenses increased by ₹3,064million, or 17.19%, to ₹20,892 million (U.S.$308.96 million) for the three months ended June 30, 2016, from ₹17,828 million for the three months ended June 30, 2015. This increase was primarily due to increased capacity and production levels at our facilities and an addition of a new facility. As a percentage of total revenue, employee benefit expenses increased from 18.95% for the three months ended June 30, 2015 to 19.41% for the three months ended June 30, 2016, primarily due to increase in personnel costs connected with trial runs of our new facilities.

Other expenses

Other expenses increased by ₹2,256 million, or 22.33%, to ₹12,360 million (U.S.$182.79 million) for the three months ended June 30, 2016 from ₹10,104 million for the three months ended June 30, 2015, primarily due to increase in manufacturing overheads, design and development expenses, traveling, freight forwarding due to increase in production levels as well as legal and professional expenses and cost-incurred in new projects. As a percentage of total revenue, other expenses increased to 11.48% for the three months ended June 30, 2016 from 10.74% for the three months ended June 30, 2015.

Finance costs

Finance costs increased by ₹119 million, or 17.42%, to ₹802 million (U.S.$11.86 million) for the three months ended June 30, 2016, from ₹683 million for the three months ended June 30, 2015. This increase is primarily due to increase in gross borrowings.

Depreciation and amortization expense

Depreciation and amortization expense increased by ₹450 million, or 19.18%, to ₹2,796 million (U.S.$41.35 million) for the three months ended June 30, 2016, from ₹2,346 million for the three months ended June 30, 2015, primarily due to increase inn capitalization of new plants.

Current tax

Current tax decreased by ₹88 million, or 4.7%, to ₹1,803 million (U.S.$26.66 million) for the three months ended June 30, 2016, from ₹1,891 million for the three months ended June 30, 2015, which was primarily due to lower tax rate applied to our German subsidiaries in 2016.

Comparison of results of operations for the fiscal years ended March 31, 2015 and 2016

Revenue from operations

Total revenue from operations increased by ₹37,221 million, or 10.7%, to ₹383,952 million for the fiscal year ended March 31, 2016, from ₹346,731 million for the fiscal year ended March 31, 2015, primarily due to increased sales of our products from our existing and new facilities as well as due to strong demand from the U.S. and Mexican markets.

Other income

Other income decreased by ₹555 million, or 14.7%, to ₹3,209 million for the fiscal year ended March 31, 2016 from ₹3,764 million for the fiscal year ended March 31, 2015, primarily due to a settlement claim for damage caused at SMP Automotive Technology Iberica S.L. plant in Spain in fiscal year ended March 31, 2015.

Cost of materials consumed

Total cost of materials consumed (which includes cost of materials consumed, purchase of stock in trade and changes in inventories of finished goods, work in progress and stock in trade) increased by ₹15,357 million, or 7.1%, to ₹231,672 million for the fiscal year ended March 31, 2016 from ₹216,315 million for the fiscal year ended March 31, 2015, primarily due to increased production volumes. As a percentage of total revenue, the total cost of materials consumed decreased from 61.7% for the fiscal year ended March 31, 2015 to 59.8% for the fiscal year March 31, 2016, primarily due to scrap reduction, improved manufacturing/procurement efficiencies and change in product mix.

Employee benefit expenses

Employee benefit expenses increased by ₹10,345 million, or 16.3%, to ₹73,997 million for the fiscal year ended March 31, 2016 from ₹63,652 million for the fiscal year ended March 31, 2015. This increase was primarily due to employee benefit expenses related to increased capacity and production levels at our facilities and increased headcount at the new greenfield plants during their construction phase. As a percentage of total revenue, employee benefit expenses increased from 18.2% for the fiscal year ended March 31, 2015 to 19.1% for the fiscal year ended March 31, 2016.

Other expenses

Other expenses increased by ₹5,415 million, or 14.1%, to ₹43,740 million for the fiscal year ended March 31, 2016 from ₹38,325 million for the fiscal year ended March 31, 2015, primarily due to a 16.5% increase in lease rent (operating leases) of ₹4,388 million for the fiscal year ended March 31, 2016, as compared to ₹3,768 million for the fiscal year ended March 31, 2015, which was partially attributable to increased employee expenses incurred with increased vehicle facility provided to larger number of employees. As a percentage of total revenue, other expenses increased to 11.3% for the fiscal year ended March 31, 2016 from 10.9% for the fiscal year ended March 31, 2015. This increase is primarily due to increases in costs of electricity, water and fuel by ₹256 million, repairs and maintenance by ₹1,289 million, freight and forwarding by ₹451 million and other costs incurred for setting up new facilities for future growth amounting to ₹1,634 million.

Finance costs

Finance costs decreased by ₹472 million, or 14.9%, to ₹2,706 million for the fiscal year ended March 31, 2016 from ₹3,178 million for the fiscal year ended March 31, 2015. This decrease is primarily due to efficient management of working capital and improved interest costs on our borrowing instruments.

Depreciation and amortization

Depreciation and amortization increased by ₹2,151 million, or 23.4%, to ₹11,357 million for the fiscal year ended March 31, 2016 from ₹9,206 million for the fiscal year ended March 31, 2015 primarily due to capitalization of new plants which started their commercial production during the fiscal year ended March 31, 2016. Depreciation and amortization for the year ended March 31, 2016 includes an impairment of ₹1,343 million accrued to match the carrying value of net fixed assets to discounted future cash flows for our facility in Brazil. This was primarily due to a steep deterioration in the Brazilian automotive market.

Tax expenses

Current tax increased by ₹1,011 million, or 16.7% to ₹7,075 million for the fiscal year ended March 31, 2016 from ₹6,064 million for the fiscal year ended March 31, 2015, which was primarily due to improved profitability across our business, which was partially offset by recognition of deferred tax expense / (credit) of ₹(1,288) million during the fiscal year ended March 31, 2016. Our effective tax rate was stable in the fiscal year ended March 31, 2016 as compared to the fiscal year ended March 31, 2015.

Comparison of results of operations for the fiscal years ended March 31, 2014 and 2015

Revenue from operations

Total revenue from operations increased by ₹42,452 million, or 14.0%, to ₹346,731 million for the fiscal year ended March 31, 2015, from ₹304,279 million for the fiscal year ended March 31, 2014, primarily due to increased sales of our products at both SMR and SMP and strong market recovery in the North American market and higher revenues from South Korea and China, Mexico, partly offset by lower sales in Brazil.

Other income

Other income increased by ₹658 million, or 21.2%, to ₹3,764 million for the fiscal year ended March 31, 2015 from ₹3,106 million for the fiscal year ended March 31, 2014, primarily due to an increase in income of proceeds from insurance company of ₹1,592 million for the year ended March 31, 2015, which is related to claim settlement for damages due to the fire at SMP's Automotive Technology Iberica S.L. in Spain.

Cost of materials consumed

Total cost of materials consumed (which includes cost of materials consumed, purchase of stock in trade and changes in inventories of finished goods, work in progress and stock in trade) increased by ₹22,701 million, or 11.7%, to ₹216,315 million for the fiscal year ended March 31, 2015 from ₹193,614 million for the fiscal year ended March 31, 2014, primarily due to increased orders. As percentage of total revenue, the total cost of materials consumed decreased from 63.0% for the fiscal year ended March 31, 2014 to 61.7% for the fiscal year ended March 31, 2015, primarily due to lower costs associated with a change in the product mix.

Employee benefit expenses

Employee benefit expenses increased by ₹12,588 million, or 24.7%, to ₹63,652 million for the fiscal year ended March 31, 2015 from ₹51,064 million for the fiscal year ended March 31, 2014. Such increase was primarily due to the increase in headcount related to increased capacity and production levels and the commencement of operations at newly opened plants. As a percentage of total revenue, employee benefit expenses increased from 16.6% for the fiscal year ended March 31, 2014 to 18.2% for the fiscal year ended March 31, 2015, primarily due to employee benefit expenses related to increased business mix and capacity and production levels at our facilities.

Other expenses

Other expenses increased by ₹2,695 million, or 7.6%, to ₹38,325 million for the fiscal year ended March 31, 2015 from ₹35,630 million for the fiscal year ended March 31, 2014. Other operating costs for the fiscal year ended March 31, 2015 included business interruption cost of ₹1,181 million for the fiscal year ended March 31, 2015 relating to a fire at SMP's Automotive Technology Iberica S.L. in Spain for which we recorded other income of an insurance claim for ₹1,592 million for the fiscal year ended March 31, 2015. As a percentage of total revenue, other expenses decreased to 10.9% for the fiscal year ended March 31, 2015 from 11.6% for the fiscal year ended March 31, 2014.

Finance costs

Finance costs increased by ₹235 million, or 8.0%, to ₹3,178 million for the fiscal year ended March 31, 2015 from ₹2,943 million for the fiscal year ended March 31, 2014. This increase is primarily due to exceptional expenses of ₹124 million incurred during the refinancing of our debt through bond issuances.

Depreciation and amortization

Depreciation and amortization increased by ₹1,034 million, or 12.7%, to ₹9,206 million for the fiscal year ended March 31, 2015 from ₹8,172 million reported in the fiscal year ended March 31, 2014, which was primarily due to the revision of useful life of assets pursuant to change under the Companies Act.

Tax expenses

Current tax increased by ₹896 million, or 17.3%, to ₹6,064 million for the fiscal year ended March 31, 2015 from ₹5,168 million for the fiscal year ended March 31, 2014 which was partially offset by deferred tax expense / (credit) of ₹(846) million for the fiscal year ended March 31, 2015. This increase in our tax expenses/(credit) was primarily due to increased profitability across business. As a result, our effective tax rate has reduced in fiscal year ended March 31, 2015 as compared to the fiscal year ended March 31, 2014.

Comparison of certain line items for the three months ended June 30, 2016 as prepared under Indian GAAP versus as prepared under Indian Accounting Standards ("Ind-AS")

The Company will adopt Ind-AS for the first time in its financial statements for the year ended March 31, 2017, which will include comparative financial statements for the year ended March 31, 2016. Ind AS 101, First-time Adoption of Indian Accounting Standards, requires that an entity develop accounting policies based on standards and related interpretations effective at the end of its first Ind AS reporting period (e.g. March 31, 2017). Ind-AS 101 also requires that those policies be applied as of the date of transition to Ind-AS (e.g., April 1, 2015) and throughout all periods presented in the first Ind-AS financial statements. The unaudited consolidated and standalone financial results for the three months period ended June 30, 2016 released to the Stock Exchanges and included in this Placement Document have been prepared in accordance with Ind-AS notified by the MCA on February 16, 2015. Ind-AS that will be applicable at March 31, 2017, including those that will be applicable on an optional basis, are not known with certainty at the time of preparing the unaudited consolidated and standalone financial results for the three months period ended June 30, 2016. As a result, the accounting policies used to prepare this financial information are subject to change up to the reporting date of the Company's first annual Ind-AS financial statements.

Set forth below is a comparison of certain line items for the three months ended June 30, 2016 as prepared under Indian GAAP versus as prepared under Ind-AS.

	For the three months ended June 30, 2016 (₹ millions)		
	Prepared under Indian GAAP (A)	**Prepared under Ind-AS (B)**	**Difference (A) – (B)**
Total revenue	107,619	104,541	3,078(1)
Profit for the period before minority	3,548	4,669	1,121(2)

Note:

(1) The ₹3,078 million difference in total revenue as when prepared under Indian GAAP versus under Ind-AS is due to equity accounting for joint venture entities under Ind-AS and proportionate consolidation under Indian GAAP and recognition of tooling revenue as per percentage completion method under Ind-AS and completion contract as per Indian GAAP.

(2) The ₹1,121 million difference in profit for the period as when prepared under Indian GAAP versus under Ind-AS is due to (a) ₹332 million in expenses incurred in connection with the issuance of the SMASG Notes (as defined below) being treated as an expenses under Indian GAAP versus being amortized over the

period of borrowings under Ind-AS, which amortization commenced from the date of borrowing, and (b) a non-recurring expense in connection with costs and fee incurred for new projects in the amount of ₹452 million being charged fully under Indian GAAP versus being amortized over the life of the project under Ind-AS, which amortization will commence from the date of the commencement of the production.

Outline below is a reconciliation of revenue for the three months ended June 30, 2016 as reported under Indian GAAP.

	For the three months ended June 30, 2016 (₹ millions)
Total revenue as per Indian GAAP	107,619
Add/ (less):	
i) Equity accounting method followed for joint venture entities as per Ind-AS	(4,119)
ii) Revenue recognized on the basis of percentage completion method for tooling arrangements as per Ind-AS	1,102
iii) impact on account of adjusting subsequent events	(57)
iv) others	(4)
Revenue as prepared under Ind-AS	104,541

Outline below is a reconciliation of profit for the period for the three months ended June 30, 2016 as reported under Indian GAAP.

	For the three months ended June 30, 2016 (₹ millions)
Concern share for the period as prepared under Indian GAAP	2,588
Add/ (less):	
i) exceptional cost charged off in the statement of profit and loss as per Indian GAAP	170
ii) amortization of cost incurred on new projects as per Ind-AS	230
iii) impact on account of change in functional currency in respect of one of its overseas subsidiary	55
iv) impact on account of adjusting subsequent events	(31)
v) others	14
Concern share for the period as prepared under Ind-AS	3,026

Outline below is a reconciliation of profit before tax for the period for the three months ended June 30, 2016 as reported under Indian GAAP.

	For the three months ended June 30, 2016 (₹ millions)
Profit before tax as prepared under Indian GAAP	**5,568**
i) exceptional cost charged off in statement of profit and loss as per Indian GAAP	332
ii) equity accounting method followed for joint venture entities as per Ind-AS	(521)
iii) amortization of cost incurred on new projects as per Ind-AS	452
iv) impact on account of change in functional currency in respect of one of its overseas subsidiary	157
v) other comprehensive income booked to profit and loss account as per Indian GAAP	20
vi) impact on account of adjusting subsequent events	(50)
vii) Others	6
Profit before tax as per Ind-AS	**5,964**

Liquidity

Our liquidity requirements arise principally from our operating activities, capital expenditures for maintenance and expansion activities, the repayment of borrowings and debt service obligations. Our expansion plans include the ongoing expansion of existing facilities and the development of new manufacturing facilities in the United States, China, Germany, Hungary and Mexico, as well as increased vertical integration and an expanded global footprint.

Historically, our principal sources of funding have included cash from operations, short- and long- term committed and uncommitted loan facilities, overdraft facilities that are repayable on demand, cash and cash equivalents and equity and financing provided by our shareholders.

Our treasury function reviews the liquidity of our various manufacturing plants. Cash generated by our operating subsidiaries is utilized to finance growth within the operations of such subsidiary or is transferred to holding companies through the payment of dividends or repayment of intercompany loans. In most cases, we do not believe there are significant obstacles or barriers to transferring funds from our local operating subsidiaries to the Issuer that may affect our ability to meet or fulfill our financial or other obligations.

We have also entered into various revolving credit and other working capital facilities, which provides sufficient liquidity for the requirements of our Company. For example, as of June 30, 2016, out of the Euro 400 million committed revolving credit facilities at our overseas subsidiary, SMRP B.V,, ₹215 million (U.S.$3.2 million) were outstanding. In addition, there are other credit facilities both at our Company's and Subsidiaries' level.

As of 30 June 2016, we incurred debts of €600 million and U.S.$300 million, respectively, through issuance of long-term bonds. In addition, in August 2016, we raised additional U.S.$100 million through issuance of long-term bonds.

We held cash and cash equivalents of ₹8,305 million, ₹18,698 million, ₹18,990 million and ₹30,828 million (U.S.$455.90 million) as of March 31, 2014, 2015, 2016, and three months ended 30 June 2016, respectively.

Existing Financing Arrangements

We have financed our working capital, acquisition and capital expenditure requirements through committed or uncommitted loan facilities that include working capital facilities at parent and local and overseas subsidiaries, which we use primarily to finance our inventories. In addition, our subsidiaries are party to certain finance lease agreements. As of June 30, 2016, we had ₹78,111 million (U.S.$1,155 million) outstanding under credit facilities (including senior secured notes and other long-term loans) and ₹1,014 million (U.S.$15.0 million) outstanding under certain finance leases. As of March 31, 2016, we had ₹62,243 million outstanding under credit facilities (including senior secured notes and other long-term loans) and ₹1,104 million outstanding under certain finance leases.

Cash flow

The following table sets forth cash flow information for the three months ended June 30, 2015 and 2016.

	For the three months ended June 30,		
	2015	**2016**	**2016**
	(₹ millions)		*(U.S.$ millions)*[(1)]
Cash flow from / (used in) operating activities	2,892	2,520	37.27
Cash flow from / (used in) investing activities	(5,699)	(5,474)	(80.95)
Cash flow from / (used in) financing activities	3,453	14,799	218.86
Net increase in cash and cash equivalents	646	11,845	175.17
Cash and cash equivalents at the beginning of the year	18,698	18,990	280.83
Cash and cash equivalents at the current year closing (before considering impact of foreign exchange re-instatement)	19,344	30,835	456.01

Notes:

(1) For the reader's convenience, U.S. dollar translations of ₹ amounts as of June 30, 2016, have been provided at a rate of U.S.$1.00 = ₹67.62, which was the RBI rate as of June 30, 2016.

The following table sets forth cash flow information for the fiscal years ended March 31, 2014, 2015 and 2016.

	For the fiscal year ended March 31,		
	2014	**2015**	**2016**
		(₹ millions)	
Cash flow from / (used in) operating activities	26,950	33,897	23,109
Cash flow from / (used in) investing activities	(13,723)	(28,529)	(20,024)
Cash flow from / (used in) financing activities	(10,801)	4,945	(2,829)
Net increase in cash and cash equivalents	2,426	10,313	256
Cash and cash equivalents at the beginning of the year	5,845	8,305	18,698
Cash and cash equivalents acquired consequent to acquisition of wiring harness division of Stoneridge and Scherer & Trier	—	85	—
Cash and cash equivalents at the current year closing (before considering impact of foreign exchange re-instatement)	8,271	18,703	18,954

Net cash generated from / (used in) operating activities

Net cash generated from operating activities was ₹2,520 million (U.S.$37.27 million) for the three months ended June 30, 2016, compared to ₹2,892 million for the three months ended June 30, 2015. This decrease was primarily because while our operating profit before considering working capital changes improved, the utilization of working capital increased because of increase in our debt as a result of increase in sales and depreciation of rupee against Euro. As a result, there was increased cash used in working capital in three months ended June 30, 2016 as compared to ₹6,015 million from ₹4,660 million in three months ended June 30, 2015.

Net cash generated from operating activities was ₹23,109 million for the fiscal year ended March 31, 2016, compared to ₹33,897 million for the fiscal year ended March 31, 2015. This decrease was primarily due to increased working capital position in fiscal year ended March 31, 2016.

Net cash generated from operating activities was ₹33,897 million for the fiscal year ended March 31, 2015 compared to ₹26,950 million for the fiscal year ended March 31, 2014. This increase was primarily due to increased profitability. In addition, we improved our working capital position in the fiscal year ended March 31, 2015, generating cash of ₹12,650 million compared to ₹2,403 million for the fiscal year ended March 31, 2014. See "— ***Working Capital***." This increase was partially offset by an income tax payment of ₹6,167 million for the fiscal year ended March 31, 2015.

Net cash from / (used in) investing activities

Net cash used in investing activities was ₹5,474 million (U.S.$80.95 million) for the three months ended June 30, 2016, compared to ₹5,699 million for the three months ended June 30, 2015.

Net cash used in investing activities was ₹20,024 million for the fiscal year ended March 31, 2016, compared to ₹28,529 million for the fiscal year ended March 31, 2015. The net cash outflow from investing activities for the fiscal year ended March 31, 2016 was primarily due to net purchase of new property, plant and equipment (including prepayments) and intangible assets amounting to ₹20,236 million. This was primarily incurred to setup new plants in Germany, Mexico, the U.S., Hungary, India and China.

Net cash used in investing activities was ₹28,529 million for the fiscal year ended March 31, 2015, compared to ₹13,723 million for the fiscal year ended March 31, 2014. The net cash outflow from investing activities for the fiscal year ended March 31, 2015 was primarily due to purchase of new property, plant and equipment (including prepayments) and intangible assets amounting to ₹18,390 million, cash outflow on capital items on new plants in Germany, Mexico, Spain and the U.S. and acquisition of minority shareholdings of ₹3,328 million in SMR Jersey and the acquisition of remaining shareholding of SMP from Cross Holdings. In addition, the net cash outflow from investing activities for the fiscal year ended March 31, 2015 was attributable to the acquisition of wiring harness business of Stoneridge Inc., and assets of Scherer & Trier for a gross consideration of ₹7,110 million.

Net cash from / (used in) financing activities

Net cash from financing activities was ₹14,799 million (U.S.$218.86 million) for the three months ended June 30, 2016, compared to ₹3,453 million for the three months ended June 30, 2015. This increase was primarily due to the issuance of ₹20,256 million (U.S.$300 million) 4.875% Senior Secured Notes due 2021 (the "**SMASG Notes**"), which was primarily offset by repayment of working capital and long term borrowing.

Net cash from financing activities was an outflow of ₹2,829 million for the fiscal year ended March 31, 2016, compared to an inflow of ₹4,945 million for the fiscal year ended March 31, 2015. The decrease in net cash from financing activities was primarily due to higher amount of dividend and interest paid, which was partially offset by net proceeds of borrowings.

Net cash from financing activities was an inflow of ₹4,945 million for the fiscal year ended March 31, 2015, compared to an outflow of ₹10,801 million for the fiscal year ended March 31, 2014. The increase in net cash from financing activities was primarily due to net increase in the proceeds of borrowings.

For a more detailed description of our recent financing activities, see "—***Existing Financing Arrangements***."

Capital Expenditure

Our major capital expenditures (cash outflow from purchase of tangible and intangible assets less cash inflow from sale of tangible and intangible assets) includes expenditure on new manufacturing plants, buildings and expansion of existing plant capacity for new production lines. Our maintenance capital expenditure comprises expenditures on maintenance of machinery, buildings, improvements of existing plants and replacement capital expenditures, which we incur when we change our production programs in connection with new models as required when adjusting for the new programs.

For the three months ended June 30, 2016 and for the fiscal years ended March 31, 2014, 2015 and 2016, we made capital expenditures in the amount of ₹5,091 million (U.S.$75.29 million), ₹13,517 million, ₹18,390 million and ₹20,236 million, respectively.

Capital expenditure (cash outflow from purchase of tangible and intangible assets less cash inflow from sale of tangible and intangible assets) for the fiscal year ended March 31, 2016 was ₹20,236 million, compared with ₹18,390 million in the fiscal year ended March 31, 2015, an increase of ₹1,846 million. Capital expenditures primarily related to significant capacity expansions at its plants in the U.S. and Mexico as well as the construction of a new plant at India, Mexico, China, Germany, Hungary and the U.S.

Capital expenditure for the fiscal year ended March 31, 2015 was ₹18,390 million, compared with ₹13,517 million in the fiscal year ended March 31, 2014, an increase of ₹4,873 million. Capital expenditures primarily related to the construction of new plants in India, the United States, China, Germany, Spain, South Africa and Mexico, investment into vertical integration for our mirror business in France, in addition to capital expenditure on new projects at existing locations.

Contractual Obligations and Contingent Liabilities

The following table sets forth our remaining contractual maturity for our non-derivative financial liabilities with contractual repayment periods as of June 30, 2016 as adjusted to give effect to the Issue. The table reflects the undiscounted cash flows of financial liabilities based on the earliest date on which we could be required to pay.

Contractual Obligations	**Payments due by period**			
	Less Than 1 Year	**1 to5 years**	**More than 5 years**	**Total**
		(₹ millions)		
Senior Secured Notes	-	-	65,241	65,241
Finance Lease Obligations	522	492	-	1,014

Other long term borrowings	2,282	3,619	842	6,743
Short term borrowings	6,127	-	-	6,127
Total	8,931	4,111	66,083	79,125

Our ability to make scheduled payments of principal of, or to pay the interest on, or to refinance, our indebtedness, or to fund planned capital expenditure and working capital, will depend on our future performance and our ability to generate cash in the future, which, to a certain extent, is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors that are beyond our control, as well as to other factors discussed under "*Risk Factors*".

As of June 30, 2016, we had contingent liabilities of ₹585 million (U.S.$9 million) in the form of income tax matters, unfulfilled export commitment under EPCG Scheme and others.

Working Capital

	For the three months ended June 30,		
	2015	**2016**	**2016**
	(₹ millions)		*(U.S.$ millions)*[(1)]
Change in working capital			
Increase/(Decrease) in trade and other payables	493	90	1.33
(Increase)/Decrease in trade receivables	(1,297)	(2,042)	(30.20)
(Increase)/Decrease in inventories	(2,646)	(2,991)	(44.23)
(Increase)/Decrease in other receivables	(1,210)	(1,072)	(15.85)
Change in working capital	(4,660)	(6,015)	(88.95)

Notes:

(1) For the reader's convenience, U.S. dollar translations of ₹ amounts as of June 30, 2016, have been provided at a rate of U.S.$1.00 = ₹67.62, which was the RBI rate as of June 30, 2016.

	Fiscal year ended March 31,		
	2014	**2015**	**2016**
		(₹ millions)	
Change in working capital			
Increase/(Decrease) in trade and other payables	14,078	10,067	7,530
(Increase)/Decrease in trade receivables	(3,549)	4,500	(7,621)
(Increase)/Decrease in inventories	(6,786)	(1,699)	(7,533)
(Increase)/Decrease in other receivables	(1,340)	(218)	(1,515)
Change in working capital	**2,403**	**12,650**	**(9,139)**

For the three months ended June 30, 2016, our net change in working capital was an outflow of ₹ 6,015 million (U.S.$89 million), which was primarily due to an increase in trade receivables and inventory levels of ₹ 5,033 million (U.S.$74 million).

For the fiscal year ended March 31, 2016, our net change in working capital was an outflow of ₹9,139 million, which was primarily due to an increase in trade receivables of ₹7,621 million, which was primarily due to increased revenues for the fiscal year ended March 31, 2016.

For the fiscal year ended March 31, 2015, our net change in working capital totaled ₹12,650 million, which included a ₹10,067 million increase in trade and other payables, which was primarily due to the negotiation of more favorable payment terms with our third-party suppliers and a ₹4,500 million decrease in trade receivables which was primarily due to more receivables being factored in a non-recourse basis. This decrease partially offset by an increase in trade and other payables to ₹10,067 million for the fiscal year ended March 31, 2015.

For the fiscal year ended March 31, 2014, our net change in working capital totaled ₹2,403 million, which included a ₹14,078 million increase in trade and other payables, which was primarily due to increase in inventories in the amount of ₹6,786 million, negotiation of more favorable payment terms with our third-party suppliers which enables us to carry our trade payables liabilities for a longer period.

Interest Coverage Ratio*

Particulars	Fiscal 2014	Fiscal 2015	Fiscal 2016
Interest coverage ratio	6.42	7.24	9.75

** Interest Coverage Ratio = Earnings Before Interest and Tax/Finance Cost*

Off-Balance Sheet Arrangements

Other than our non-recourse receivables facilities, we do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenue or expenses, operating results, liquidity, capital expenditure or capital resources. See "***Description of Certain Financing Arrangements—Non-Recourse Factoring Arrangements***."

Qualitative and Quantitative Disclosures about Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are subject to currency rate risk and interest rate risk. The financial instruments that are affected by these risks include loans, bonds and borrowing, deposits, available-for-sale investments and derivative financial instruments. We use derivative financial instruments such as forward exchange contracts to manage our exposures to such foreign exchange movements.

Interest rate risk

We have no significant interest-bearing assets and our income and operating cash flows are therefore substantially independent of changes in market interest rates. As of June 30, 2016, of our total borrowings of ₹ 79,125 million, ₹ 65,241 million was borrowed through the issuance of bonds (€600 million and U.S.$300 million, respectively), which is fixed rate. Other remaining borrowings were based on benchmark lending rates, as applicable. We are subject to market risks due to fluctuations in interest rates primarily in relation to our debt obligations with floating interest rates. We do not actively hedge our interest rate risk.

Foreign exchange risk

We typically receive revenue in the same currency in which we incur costs in the majority of jurisdictions in which we operate. As such, we have a natural hedge against currency exchange risk. However, we face some currency exchange risk in respect of (i) our loans denominated in other currencies than the functional currency of our different companies, in respect of which we selectively hedge currency risk, (ii) currency mismatches between our income and our expenditures, which we seek to manage by matching income currency to expenditure currency at the operating entity level, and (iii) currency translation for the purpose of preparing our financial statements, on account of our global operations.

Credit risk

We are subject to the risk that our counterparties under various finance and customer agreements will not meet their obligations. Our credit risk exposure relates to our operating activities and our financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. See "***Risk Factors — Risks Relating to Our Business — A decline in the financial condition of OEMs or other customers or suppliers could have a material adverse effect on our business, financial condition and results of operations***."

In relation to credit risk arising from financing activities, we monitor the ratings, credit spreads and financial strength of our counterparties on at least a quarterly basis, and based on our on-going assessment of counterparty risk, we adjust our exposure to various counterparties. In relation to our operating activities, our net trade receivables as of March 31, 2016 and as of June 30, 2016, was ₹34,656 million and ₹34,510 million, respectively.

As of June 30, 2016, our total trade receivables outstanding were ₹35,275 million. Our provision for doubtful receivables as of June 30, 2016 was ₹765 million (₹482 million for outstanding for a period exceeding six months from the date they are due for payment and ₹283 million for other receivables), or 2% of outstanding accounts receivable.

As of March 31, 2016, our total trade receivables outstanding were ₹35,357million. Our provision for doubtful receivables as of March 31, 2016 was ₹701 million (₹441 million for outstanding for a period exceeding six months from the date they are due for payment and ₹260 million for other receivables), or 2.0% of outstanding accounts receivable.

Commodity price risk

While we believe our commodity price risk is low, such risk is the possibility of impact from changes in the prices of inputs, such as resins and metal parts (chiefly aluminum and zinc) which we use in the production of our products. While we seek to pass on input cost increases to our customers, we may not be able to fully achieve this in all situations or at all times or may be exposed during a time lag. See "***Risk Factors — Risks Relating to Our Business — Volatility in the prices of raw materials or pre-constructed components on which we rely could adversely affect our results of operations and cash flows***."

Critical accounting estimates and judgments

Preparation of financial statements in accordance with Indian GAAP requires our management to make judgments, estimates and assumptions that affect the reported amounts of our assets and liabilities, disclosures of contingent liabilities and the reported amounts of revenues and expenses. These judgments, assumptions and estimates are reflected in our accounting policies, which are more fully described in the notes to the financial statements, which have been included elsewhere in this Placement Document.

Certain of our accounting policies are particularly important to the presentation of our financial position and results of operations and require the application of significant assumptions and estimates of our management. We refer to these accounting policies as our "critical accounting policies." Our management uses its historical experience and analyzes the terms of existing contracts, historical cost conventions, global industry practices and information provided by outside sources, as appropriate, when forming its assumptions and estimates. Although the estimates are based upon management's best knowledge of current events and actions, actual results may materially differ from estimates.

While we believe that all aspects of our financial statements should be studied and understood in assessing our current and expected financial condition and results of operations, the following critical accounting policies warrant particular attention.

Recognition of income and expenses

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.

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.

Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted by us. 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 us as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated corporate expenses/income".

See Note 2.18 (*Segment reporting*) of our financial statements as of and for the fiscal year ended March 31, 2016 included elsewhere in this Placement Document.

Depreciation

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. See Note 2.4 (*Tangible Assets*) of our financial statements as of and for the fiscal year ended March 31, 2016 included elsewhere in this Placement Document.

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. See Note 2.7 (*Impairment of Assets*) of our financial statements as of and for the fiscal year ended March 31, 2016 included elsewhere in this Placement Document.

Investment Properties

Investment in land and buildings that are not intended to be occupied substantially for use by, or in our operations have been classified as investment property. Investment properties are carried at cost less accumulated depreciation. See Note 2.8 (*Investments*) of our financial statements as of and for the fiscal year ended March 31, 2016 included elsewhere in this Placement Document.

Employee Benefits

Provident Fund and Employee State Insurance

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

Gratuity

We provide 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 under its Group's Gratuity Scheme whereas others are not funded. Our 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 beyond 12 months from the end of the year end are treated as other long term employee benefits. Our 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.

See Note 2.13 (*Employee Benefits—In respect of the companies incorporated in India*) of our financial statements as of and for the fiscal year ended March 31, 2016 included elsewhere in this Placement Document.

Companies within the Group operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic 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.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognized immediately in income.

When a settlement or a curtailment occurs, the obligation and related plan assets are re-measured using current actuarial assumptions and the resultant gain or loss is recognized in the income statement during the period in which the settlement or curtailment occurs.

The value of a net pension benefit asset is restricted to the present value of any amount the Group expects to recover by way of refunds from the plan or reductions in the future contributions after considering any legal or contractual minimum funding requirements. The minimum funding requirements stipulate a minimum amount or level of contributions that must be made to a plan over a given period and may limit the ability of 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. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available. See Note 2.13 (*Employee Benefits—In respect of the companies incorporated outside India—Pension provisions*) of our financial statements as of and for the fiscal year ended March 31, 2016 included elsewhere in this Placement Document.

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 credited to capital reserve and treated as a part of shareholders' funds.

Transactions in foreign currencies

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. 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- 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.

See Note 2.10 (*Foreign Currency Translation and Derivative Instruments*) of our financial statements as of and for the fiscal year ended March 31, 2016 included elsewhere in this Placement Document.

Inventories

Inventories are stated at lower of cost and net realizable 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. See Note 2.9 (*Inventories*) of our financial statements as of and for the fiscal year ended March 31, 2016 included elsewhere in this Placement Document.

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 losses, that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets and liabilities are measured using the tax rates and tax laws 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 off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are off set when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws. Minimum Alternative Tax credit is recognized as an asset only when and to the extent there is convincing evidence that the company will not pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the minimum alternate tax 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.

RECENT DEVELOPMENTS SINCE MARCH 31, 2016 WHICH COULD AFFECT OUR RESULTS OF OPERATIONS

Our Company has released its unaudited consolidated and standalone financial results for the three months period ended June 30, 2016 under Ind-AS to the Stock Exchanges, which are provided below.

Price Waterhouse Chartered Accountants LLP

The Board of Directors
Motherson Sumi Systems Limited
Plot No. 1, Sector 127,
Noida-Greater Noida Expressway,
Noida-201301

1. We have reviewed the unaudited consolidated financial results of Motherson Sumi Systems Limited (the "Company"), its subsidiaries, joint ventures and associate company (hereinafter referred to as the "Group") for the quarter ended June 30, 2016 which are included in the accompanying UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE, 2016 together with the notes thereon (the "Statement"). The Statement has been prepared by the Company's Management pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes. The Statement is the responsibility of the Company's Management and has been approved by its Board of Directors. Further, the Management is also responsible to ensure that the accounting policies used in preparation of this Statement are consistent with those used in the preparation of the Company's opening unaudited consolidated Balance Sheet as at April 1, 2015 prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement.

3. A review is limited primarily to inquiries of group personnel and analytical procedures applied to group's financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

4. We did not review the financial results of (i) 13 subsidiaries considered in the preparation of the Statement and which constitute net sales from operations of Rs.7,897 Crores and net profit of Rs. 118 Crores for the quarter ended June 30, 2016; and (ii) 1 joint venture which constitute net profit of Rs.12 Crores for the quarter ended June 30, 2016. These financial results and other financial information have been reviewed by other auditors whose reports have been furnished to us, and our conclusion on the Statement to the extent they have been derived from such financial results is based solely on the report of such other auditors.

5. We did not review the financial results of (i) 49 subsidiaries considered in the preparation of the Statement and which constitute, net sales from operations of Rs. 1,072 Crores and net profit of Rs. 29 Crores for the quarter ended June 30, 2016; and (ii) 3 joint ventures and 1 associate which constitute net profit of Rs. 5 crores for the quarter ended June 30, 2016. The unaudited financial information has been assessed by the management and provided to us, and our conclusion on the statement to the extent they relate to these subsidiaries, joint ventures and associates is based solely on such unaudited financial information furnished to us by the management.

6. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with Ind AS and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

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Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

7. We draw attention to the following matters:

   a. Note 1 to the Statement which states that the Company has adopted Ind AS for the financial year commencing from April 1, 2016, and accordingly, the Statement has been prepared by the Company's Management in compliance with Ind AS.

   b. We were neither engaged to review, nor have we reviewed the comparative figures including the reconciliation to the Total Comprehensive Income for the quarter ended on June 30, 2015 and accordingly, we do not express any conclusion on the consolidated results in the Statement for the quarter ended June 30, 2015. As set out in note 3 to the Statement, these figures have been furnished by the Management.

Our conclusion is not qualified in respect of these matters.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Rajib Chatterjee

Rajib Chatterjee
Partner
Membership Number: 057134

Place: Noida
Date: August 10, 2016

MOTHERSON SUMI SYSTEMS LIMITED

CIN - L34300MH1986PLC284510

Regd. Office: Unit 705, C Wing, ONE BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400051

UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE, 2016

(Rs. in Crores)

	Particulars	Three months ended 30/06/2016 Unaudited	Three months ended 30/06/2015 Not Subject to Limited Review
1	**Income from Operations**		
(a)	Net sales/income from operations (net of excise duty)	**10,352.33**	**8,915.47**
	- Within India	1,292.04	1,084.35
	- Outside India	9,060.29	7,831.12
(b)	Other operating income	98.05	130.62
	Total income from operations (net)	**10,450.38**	**9,046.09**
2	**Expenses**		
(a)	Cost of materials consumed	6,377.56	5,603.45
(b)	Purchases of stock-in-trade	52.25	41.57
(c)	Changes in inventory of finished goods, work in progress and stock-in-trade	(57.12)	(55.77)
(d)	Employees benefits expense	2,009.35	1,724.22
(e)	Depreciation and amortisation expenses	250.79	223.27
(f)	Exchange differences	12.25	(2.89)
(g)	Other expenses	1,127.93	964.20
	Total expenses	**9,773.01**	**8,498.05**
3	Profit from operations before other income, finance costs and exceptional items (1-2)	677.37	548.04
4	Other income	3.73	24.71
5	**Profit / (loss) before finance costs and exceptional items (3 + 4)**	**681.10**	**572.75**
6	Finance Costs	84.71	79.49
7	**Profit / (loss) before exceptional items (5 - 6)**	**596.39**	**493.26**
8	Exceptional income / (expenses) (net)	-	-
9	**Profit / (loss) before tax (7 + 8)**	**596.39**	**493.26**
10	Tax expense		
	- Current	167.70	170.92
	- Deferred	27.77	(28.42)
11	**Net Profit / (loss) for the period (9 + 10)**	**400.92**	**350.76**
12	Share of profit/(loss) of Associates and Joint ventures	38.44	28.62
13	**Net Profit / (loss) for the period (11 + 12)**	**439.36**	**379.38**
14	Other comprehensive income, net of income tax		
	A. Items that will not be reclassified to profit or loss	0.77	4.02
	B. Items that will be reclassified to profit or loss	26.77	25.91
	Total other comprehensive income, net of income tax	**27.54**	**29.93**
15	**Total comprehensive income for the period (13 + 14)**	**466.90**	**409.31**
16	Net Profit/(Loss) attributable to:		
	- Owners	302.64	267.48
	- Non-controlling interests	136.72	111.90
	Total comprehensive income attributable to:		
	- Owners	316.75	302.82
	- Non-controlling interests	150.15	106.49
17	Paid up equity share capital (Face Value :- Re. 1/- per share)	132.29	132.29
18	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-
19	Earnings per share (of Re.1) (not annualised)*		
	- Basic	2.29	2.02
	- Diluted	2.29	2.02

* Consequent to the issue of bonus shares issued on July 28, 2015 in the ratio of 1 share for every 2 shares held, Earning per shares for the prior period have been revised.

MOTHERSON SUMI SYSTEMS LTD.

Price Waterhouse Chartered Accountants LLP Gurgaon

MOTHERSON SUMI SYSTEMS LIMITED

CIN - L34300MH1986PLC284510

Regd. Office: Unit 705, C Wing, ONE BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400051

UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE, 2016

SEGMENT REPORTING *(Rs. in Crores)*

		Consolidated	
	Particulars	Three months ended 30/06/2016 Unaudited	Three months ended 30/06/2015 Not Subject to Limited Review
1	**Segment revenue**		
(a)	Automotive	10,162.73	8,750.09
(b)	Non automotive	282.92	288.84
(c)	Unallocated	4.03	24.76
	Total	10,449.68	9,063.69
	Less: Inter segment revenue	-	-
	Net sales/income from operations	10,449.68	9,063.69
2	**Segment results**		
(a)	Automotive	700.15	551.21
(b)	Non automotive	27.62	19.22
(c)	Unallocated	-	-
	Total	727.77	570.43
	Less i) Interest (Net)	80.28	72.37
	ii) Other unallocable expenditure (Net of unallocable income)	12.66	(23.82)
	Total profit before tax	634.83	521.88
3	**Segment Assets**		
(a)	Automotive	20,311.49	16,734.96
(b)	Non automotive	540.54	619.44
(c)	Unallocated	1,088.01	746.70
	Total segment assets	21,940.04	18,101.10
4	**Segment Liabilities**		
(a)	Automotive	7,415.58	7,104.16
(b)	Non automotive	99.74	131.58
(c)	Unallocated	8,076.64	5,638.19
	Total segment liabilities	15,591.96	12,873.93

Notes:

1 The consolidated unaudited financial results of the company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The Company adopted Indian Accounting Standards ("Ind AS") from April 1, 2016 for the first time with a transition date of April 1, 2015 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles in Ind AS 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.

2 The format for unaudited quarterly results as prescribed in SEBI's Circular CIR/CFD/CMD/15/2015 dated November 30, 2015 has been modified to comply with requirements of SEBI's circular dated July 5, 2016, Ind AS and Schedule III (Division II) to the Companies Act, 2013 applicable to companies that are required to comply with Ind AS.

3 The consolidated unaudited financial results of the Company for the quarter ended June 30, 2016 have been subjected to a limited review by the statutory auditors. The Ind AS compliant corresponding figures for the quarter ended June 30, 2015 have been presented based on the information complied by the management which have not been audited nor reviewed by the auditors. However the Company's management has exercised necessary due diligence to ensure that such financial results provide true and fair view of its affairs. The above statement has been reviewed by the audit committee and taken on record and approved by the Board of Directors at their meeting held on August 10, 2016.

4 Samvardhana Motherson Automotive Systems Group B.V., Netherlands (SMRPBV), the Company's subsidiary has issued 4.875% Senior Secured Notes for USD 300 million due 2021 on June 6, 2016 and additional notes amounting to USD 100 million on August 8, 2016 to form single series with the above mentioned USD 300 Million notes. The net proceeds from the aforesaid Notes would be used to meet company's investment requirement, repayment of existing third party indebtedness and general corporate purposes.

5 The Company has identified two operating segments, namely Automotive and Non Automotive, determined on the basis of nature of products and services.

6 Reconciliation of the consolidated financial results reported under the previous Generally Accepted Accounting Principles (GAAP) for the quarter ended June 30, 2015 is as below:

	Consolidated
	Three months ended 30/06/2015
	Not subjected to review/ audit
Net profit or loss as per Previous GAAP (Indian GAAP)	366.44
Add/ (less):	
i) increase in profit - exceptional cost charged off in statement of profit and loss #	24.60
ii) decrease in profit - amortisation of finance cost #	(5.70)
iii) decrease in profit - actuarial gain transferred to Other Comprehensive Income **	(3.98)
iv) others	(1.98)
Net profit/loss as per Ind AS	379.38
Other comprehensive income, net of income tax	29.93
Total comprehensive income for the period	409.31

Brief notes to the reconciliation:

Cost incurred in relation to borrowings, charged to statement of profit and loss under Indian GAAP, now accounted for on the basis of amortised cost method in accordance with Ind AS 109 - Financial Instruments.

** Actuarial gain recognised in statement of profit and loss under Indian GAAP now classified in Other Comprehensive Income not be reclassified to profit or loss, in accordance with Ind AS 19 - Employee Benefits.

MOTHERSON SUMI SYSTEMS LTD.

Place : Noida
Date: August 10, 2016

Price Waterhouse Chartered Accountants LLP AAC-5001 FRN 012754N/N500016 Gurgaon

V C Sehgal
CHAIRMAN

Price Waterhouse Chartered Accountants LLP

The Board of Directors
Motherson Sumi Systems Limited
Plot No.1, Sector 127,
Noida- Greater Noida Expressway,
Noida- 201301

1. We have reviewed the unaudited financial results of Motherson Sumi Systems Limited (the "Company") for the quarter ended June 30, 2016 which are included in the accompanying "UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE, 2016" together with the notes thereon (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes. The Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Further, the Management is also responsible to ensure that the accounting policies used in preparation of this Statement are consistent with those used in the preparation of the Company's opening unaudited Balance Sheet as at April 1, 2015 prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement.

3. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with Ind AS and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Price Waterhouse Chartered Accountants LLPIN AAC-5001 FRN 012754N/N500016 Gurgaon

Price Waterhouse Chartered Accountants LLP, Building No. 8, 7th & 8th Floor, Tower - B, DLF Cyber City Gurgaon - 122 002
T: +91 (124) 4620000, 3060000, F: +91 (124) 4620620

Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

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5. We draw attention to the following matters:

   a. Note 1 to the Statement which states that the Company has adopted Ind AS for the financial year commencing from April 1, 2016, and accordingly, the Statement has been prepared by the Company's Management in compliance with Ind AS.

   b. We were neither engaged to review, nor have we reviewed the comparative figures including the reconciliation to the Total Comprehensive Income for the quarter ended on June 30, 2015 and accordingly, we do not express any conclusion on the results in the Statement for the quarter ended June 30, 2015. As set out in note 3 to the Statement, these figures have been furnished by the Management.

Our conclusion is not qualified in respect of these matters.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/ N500016
Chartered Accountants

Rajib Chatterjee

Rajib Chatterjee
Partner
Membership Number: 057134

Place: Noida
Date: August 10, 2016

MOTHERSON SUMI SYSTEMS LIMITED

CIN - L34300MH1986PLC284510

Regd. Office: Unit 705, C Wing, ONE BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400051

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE, 2016

(Rs. in Crores)

	Particulars	Three months ended 30/06/2016 Unaudited	Three months ended 30/06/2015 Not Subject to Limited Review
1	**Income from operations**		
(a)	Net sales/income from operations (net of excise duty)	1,395.76	1,180.62
	- Within India	1,170.60	984.18
	- Outside India	225.16	196.44
(b)	Other operating income	25.74	21.36
	Total income from operations (net)	**1,421.50**	**1,201.98**
2	**Expenses**		
(a)	Cost of materials consumed	737.68	634.09
(b)	Purchases of stock-in-trade	52.35	37.31
(c)	Changes in inventory of finished goods, work in progress and stock-in-trade	(35.21)	(16.89)
(d)	Employees benefits expense	200.27	159.95
(e)	Depreciation and amortisation Expenses	47.87	50.59
(f)	Exchange differences	1.48	(7.05)
(g)	Other expenses	204.70	172.28
	Total expenses	**1,209.14**	**1,030.28**
3	Profit from operations before other income, finance costs and exceptional items (1-2)	212.36	171.70
4	Other income	10.53	61.12
5	**Profit / (loss) before finance costs and exceptional items (3 + 4)**	**222.89**	**232.82**
6	Finance costs	13.51	12.72
7	**Profit / (loss) before exceptional items (5 - 6)**	**209.38**	**220.10**
8	Exceptional income / (expenses) (net)	-	-
9	**Profit / (loss) before tax (7 + 8)**	**209.38**	**220.10**
10	Tax expense		
	- Current	68.67	68.85
	- Deferred	(2.96)	(8.86)
11	**Net Profit (+)/Loss(-) for the period**	**143.67**	**160.11**
12	Other comprehensive income, net of income tax		
	A. Items that will not be reclassified to profit or loss	(3.16)	(0.87)
	B. Items that will be reclassified to profit or loss	-	-
	Total other comprehensive income, net of income tax	**(3.16)**	**(0.87)**
13	**Total comprehensive income for the period (11 + 12)**	**140.51**	**159.24**
14	Paid up equity share capital (Face Value :- Re. 1/- per share)	132.29	132.29
15	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-
16	Earnings per share (EPS) (of Re.1) (not annualised)*		
	- Basic	1.09	1.21
	- Diluted	1.09	1.21

* Consequent to the issue of bonus shares issued on July 28, 2015 in the ratio of 1 share for every 2 shares held, Earning per share for the prior period have been revised

MOTHERSON SUMI SYSTEMS LTD.

Price Waterhouse Chartered Accountants LLP

MOTHERSON SUMI SYSTEMS LIMITED

CIN - L34300MH1986PLC284510

Regd. Office: Unit 705, C Wing, ONE BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400051

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE, 2016

SEGMENT REPORTING *(Rs. in Crores)*

	Particulars	Standalone: Three months ended 30/06/2016 Unaudited	Standalone: Three months ended 30/06/2015 Not Subject to Limited Review
1	**Segment revenue**		
(a)	Automotive	1,335.17	1,118.12
(b)	Non automotive	85.19	81.86
(c)	Unallocated	11.04	68.44
	Total	**1,431.40**	**1,268.42**
	Less: Inter segment revenue	-	-
	Net sales/Income from operations	**1,431.40**	**1,268.42**
2	**Segment results**		
(a)	Automotive	199.87	157.80
(b)	Non automotive	15.16	8.20
(c)	Unallocated	-	-
	Total	**215.03**	**166.00**
	Less i) Interest (Net)	12.88	10.99
	ii) Other unallocable expenditure (Net of unallocable income)	(7.23)	(65.09)
	Total profit before tax	**209.38**	**220.10**
3	**Segment Assets**		
(a)	Automotive	2,981.84	2,822.34
(b)	Non automotive	137.55	167.04
(c)	Unallocated	938.87	1,014.65
	Total segment assets	**4,058.26**	**4,004.03**
3	**Segment Liabilities**		
(a)	Automotive	907.13	808.74
(b)	Non automotive	11.10	13.72
(c)	Unallocated	539.64	575.07
	Total segment liabilities	**1,457.87**	**1,397.53**

Notes:

1 The unaudited financial results of the company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The Company adopted Indian Accounting Standards ("Ind AS") from April 1, 2016 for the first time with a transition date of April 1, 2015 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles in Ind AS 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.

2 The format for unaudited quarterly results as prescribed in SEBI's Circular CIR/CFD/CMD/15/2015 dated November 30, 2015 has been modified to comply with requirements of SEBI's circular dated July 5, 2016, Ind AS and Schedule III (Division II) to the Companies Act, 2013 applicable to companies that are required to comply with Ind AS.

3 The standalone unaudited financial results of the company for the quarter ended June 30, 2016 have been subjected to a limited review by the statutory auditors. The Ind AS compliant corresponding figures for the quarter ended June 30, 2015 have been presented based on the information complied by the management which have not been audited nor reviewed by the auditors. However the Company's management has exercised necessary due diligence to ensure that such financial results provide true and fair view of its affairs. The above statement has been reviewed by the audit committee and taken on record and approved by the Board of Directors at their meeting held on August 10, 2016.

4 The Company has identified two operating segments, namely Automotive and Non Automotive, determined on the basis of nature of products and services.

5 Reconciliation of the standalone financial results reported under the previous Generally Accepted Accounting Principles (GAAP) for the quarter ended June 30, 2015 is as below:

	Standalone: Three months ended 30/06/2015 Not subjected to review/ audit
Net profit or loss as per Previous GAAP (Indian GAAP)	**158.63**
Add/ (less):	
i) increase in profit - actuarial loss transferred to Other Comprehensive Income #	0.91
ii) increase in profit - subsidy from Government **	0.30
iii) Others	0.27
Net profit/loss as per Ind AS	**160.11**
Other comprehensive income, net of income tax	(0.87)
Total comprehensive income for the period	**159.24**

Brief notes to the reconciliation:

Actuarial gain recognised in statement of profit and loss under Indian GAAP now classified in Other Comprehensive Income not be reclassified to profit or loss, in accordance with Ind AS 19 - Employee Benefits.

** Subsidies from Government, which were in the nature of promotor contribution, were recognised as capital reserve under Indian GAAP. As per Ind AS 20 - Accounting of Government Grants and Disclosure of Government Assistance, these subsidies are recognised in statement of profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

Place : Noida
Date: August 10, 2016

V C Sehgal
CHAIRMAN

SUMMARY OF CERTAIN DIFFERENCES AMONG INDIAN GAAP, IFRS AND IND-AS

The financial information included herein is prepared and presented in accordance with Indian GAAP, except for the unaudited consolidated and standalone financial results for the three months period ended June 30, 2016 under Ind-AS released to the Stock Exchanges and included in this Placement Document. Certain differences exist between Indian GAAP, IFRS and Ind-AS which might be material to the financial information herein. The matters described below summarize certain differences between Indian GAAP, IFRS and Ind-AS that may be material. The Company is responsible for preparing the Summary below. The Company has not prepared a complete reconciliation of its consolidated financial statements and related footnote disclosures between Indian GAAP, IFRS and Ind-AS and has not quantified such differences. Accordingly, no assurance is provided that the following Summary of differences between Indian GAAP, IFRS and Ind-AS is complete. In making an investment decision, investors must rely upon their own examination of the Company, the terms of the offering and the financial information. Potential investors should consult their own professional advisors for an understanding of the differences between Indian GAAP, IFRS and Ind-AS, and how those differences might affect the financial information herein.

	Indian GAAP	**IFRS**	**IND-AS**
Revenue definition	Revenue is the gross inflow of cash, receivables or other consideration arising in the course of the ordinary activities. Revenue is measured by the charges made to customers for goods supplied and services rendered to them and by the charges and rewards arising from the use of resources by them. Revenue is disclosed net of excise duty.	Revenue is the gross inflow of economic benefits during the period arising in the course of the ordinary activities of an entity when those inflows result in increases in equity, other than increases relating to contributions from equity participants. Amounts collected on behalf of third parties such as sales and service taxes and value added taxes are excluded from revenues.	Similar to IFRS As per Schedule III of the Companies Act 2013; revenue from operations shall be disclosed as under: a) Sale of products b) Sale of services c) Other operating revenue Less: d) Excise duty
Revenue measurement	Revenue is recognised at the nominal amount of consideration receivable.	Fair value of revenue from sale of goods and services when the inflow of cash and cash equivalents is deferred is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of consideration is recognised as interest revenue using the effective interest method.	Similar to IFRS
Revenue recognition	Revenue from sale of goods is recognized when a) the seller of goods has transferred to the buyer the property in the goods for a price or all significant risks and rewards of ownership have been transferred to the buyer and the seller retains no effective control of the goods transferred to a degree usually associated with ownership; and b) no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods.	Revenue from the sale of goods shall be recognised when all the following conditions have been satisfied: (a) the entity has transferred to the buyer the significant risks and rewards of ownership of the goods; (b) the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; (c) the amount of revenue	Similar to IFRS

	Indian GAAP	IFRS	IND-AS
	In a transaction involving the rendering of services, performance should be measured either under the completed service contract method or under the proportionate completion method, whichever relates the revenue to the work accomplished. Such performance should be regarded as being achieved when no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering the service	can be measured reliably; (d) it is probable that the economic benefits associated with the transaction will flow to the entity; and (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably. In case of rendering of services; where revenue is recognised by reference to the transaction's stage of completion at the balance sheet date.	
Revenue – contract costs	Capitalization of contract cost is not permitted	IFRS 15 contains criteria for determining when to capitalize costs associated with obtaining and fulfilling a contract	Similar to IFRS
Multiple element contracts	There is no specific guidance.	To present the substance of a transaction appropriately, it may be necessary to apply the recognition criteria to the separately identifiable component of a single transaction.	Similar to IFRS
Accounting Treatment for Changes in Accounting Policies	The effect of a material change in accounting policies must be recorded in the income statement of the period in which the change is made, subject to certain limited exemptions. No restatement of past years' figures is required. If a change is made to a company's accounting policies that has no material effect on the financial statements for the current period but which is reasonably expected to have a material effect in later periods, the fact of such change should be appropriately disclosed in the period in which the change is adopted. Up to March 31, 2016, changes in the method of depreciation for existing assets is considered as a change in accounting policy and the cumulative effect thereof is accounted. For accounting period beginning April 1, 2016; any change in the method of depreciation will be accounted for as change in accounting estimate in accordance with AS-5.	Retrospective application of changes in accounting policies is done by adjusting the opening balance of the affected component of equity for the earliest prior period presented and the other comparative amounts for each period presented as if the new accounting policy were always applied. If retrospective application is impracticable for a particular prior period, or for a period before those presented, the circumstances that led to the existence of that condition and a description of how and from when the change in accounting policy has been applied needs to be stated.	Similar to IFRS
Consolidation and Investment in	Reporting date differences between the parent and the	The difference between the reporting date of the	Similar to IFRS

	Indian GAAP	IFRS	IND-AS
Subsidiaries	subsidiary cannot be more than six months. Adjustments should be made for effects of significant transactions occurring between two dates. Consolidated financial statements should be prepared using uniform accounting policies. If not practicable, the proportions of the items accounted for using the different accounting policies should be disclosed.	subsidiary and that of the parent shall be no more than three months. Uniform accounting policies should be followed. No exception is provided	 Uniform accounting policies to be followed unless impracticable to do so
Control	Control exists if: the ownership, directly or indirectly through subsidiary(ies), of more than onehalf of the voting power of an enterprise; or control of the composition of the board of directors in the case of a company or of the composition of the corresponding governing body in case of any other enterprise so as to obtain economic benefits from its activities	Investor controls an investee if the investor has following: Power over the investee Exposure, or rights, to variable returns from its investment with the investee The ability to use power over the investee to affect the amount of investor's return.	Similar to IFRS
Consolidation-Investment in Associates and Joint Ventures	Significant influence is the power to participate in the financial and/ or operating policy decisions of the investee but not control over those policies	Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies	Similar to IFRS
	Joint Control: It is the contractually agreed sharing of control over an economic activity	Joint control: The contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control	Similar to IFRS
	Potential voting rights are not considered in assessing significant influence	The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by another entity, are considered when assessing significant influence	Similar to IFRS
	In consolidated financial statements, interest in jointly controlled entities is to be accounted for using proportionate consolidation	A joint venture applies the equity method, as described in IAS 28.	Similar to IFRS.
Impairment of assets	Goodwill and other intangibles are tested for impairment only when there is an indication that they may be impaired	Goodwill, intangible assets not yet available for use and indefinite life intangible assets are required to be tested for	Similar to IFRS

	Indian GAAP	IFRS	IND-AS
		impairment at least on an annual basis or earlier if there is an impairment indication	
Financial instruments	No specific guidance	All financial instruments are initially measured at fair value plus or minus, in case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Trade receivables that do not have a significant financing component should initially be measured at transaction price as defined in IFRS 15.	Similar to IFRS
	An enterprise should assess the provision for doubtful debts at each period end which, in practice, is based on relevant information such as past experience, actual financial position and cash flow of debtors. Different methods are used for making provision for bad debts including ageing analysis, individual assessment of recoverability. Impairment losses recognized in profit or loss for equity investments are reversed through profit or loss.	Impairment model in IFRS 9 is based on expected credit losses and it applies equally to debt instruments measured at amortized cost FVTOCI (the loss allowance is recognized in Other Comprehensive Income and not reduced from carrying amount of financial asset), lease receivables, contract assets within scope of IFRS 15 and certain written loan commitments and financial guarantee contracts. Expected credit losses (with the exception of purchased or original credit impaired financial assets) are required to be measured through a loss allowance at an amount equal to a) 12 months expected credit losses b) lifetime expected credit losses if credit risk has increased significantly since initial recognition of financial instrument. Trade receivables or contract assets within the scope of IFRS 15, loss allowance is measured at lifetime expected credit losses. For lease receivables within scope of IAS 17, an entity can elect to always measure loss allowances at an amount equal to lifetime expected credit losses.	Similar to IFRS
	Transaction costs incurred in connection with long term borrowings are charged to statement of profit and loss as	The transaction costs are amortised to profit or loss using the effective interest method	Similar to IFRS

	Indian GAAP	IFRS	IND-AS
	no future economic benefits are envisaged.		
Property, Plant and Equipment	For accounting periods beginning April 1, 2016; Company has an option to select either 'Cost Model' or 'Revaluation Model' for an entire class of assets. Under Cost Model, an asset is carried at cost less accumulated depreciation and accumulated impairment losses. Under the Revaluation Model, an asset is carried at the revalued amount, which is the fair value less any subsequent accumulated depreciation and subsequent accumulated impairment losses. For periods up to March 31, 2016, historical cost is used. Revaluations are permitted, however, no requirement on frequency of revaluation.	If an entity adopts the revaluation model, revaluations are required to be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date. IFRS mandates entire class of assets to be revalued.	Similar to IFRS
Intangible assets	No guidance on determining the cost of intangible asset when acquired with a group of other assets.	If an intangible asset is acquired with a group of other assets (but not those acquired in a business combination), the cost of the group shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction or event does not give rise to goodwill	Similar to IFRS
	Measured only at cost	Measured at cost or revalued amounts	Similar to IFRS
Deferred Taxation	Deferred tax is generally recognised for all timing differences. Timing differences are the differences between taxable income and accounting income for a period that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the enacted or the substantially enacted tax rate.	Deferred income taxes are recognised for all taxable temporary differences between accounting and tax base of assets and liabilities except to the extent they arise from (a) initial recognition of goodwill or (b) the initial recognition of asset or liability in a transaction which is not a business combination; and at the time of the transaction, affects neither the accounting nor the tax profit.	Similar to IFRS
	A deferred tax asset should be recognised and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets on unabsorbed depreciation and	Deferred tax asset is recognised for carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and tax	Similar to IFRS

	Indian GAAP	IFRS	IND-AS
	carried forward losses under tax laws should be recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.	credits can be utilised.	
	Deferred tax assets and liabilities should be disclosed under a separate heading in the balance sheet of the enterprise, separately from current assets and current liabilities.	Current tax and deferred tax is recognised outside profit or loss if the tax relates to items that are recognised in the same or a different period, outside profit or loss. Therefore the tax on items recognised in other comprehensive income, or directly in equity, is also recorded in other comprehensive income or in equity, as appropriate.	
	No exemptions are available for providing for deferred tax.		
Foreign Exchange Differences	All exchange difference relating to monetary assets and liabilities are required to be charged to profit and loss account with an option in respect of long term monetary items in relation to acquisition of fixed assets, where the exchange difference can be adjusted to the carrying value of such fixed assets or for other long term monetary items, in which case the exchange difference is transferred to "Foreign Currency Monetary Item Translation Difference Account" to be amortised by 31 March 2020 or settlement of such assets/liabilities, whichever is earlier.	Exchange differences arising on translation or settlement of foreign currency monetary items are recognised in profit or loss in the period in which they arise, except when hedge accounting is applied.	Similar to IFRS. However an entity may continue the policy adopted for exchange differences arising from translation of long-term foreign currency monetary items recognized in the financial statements for the period ending immediately before the beginning of the first IND AS financial reporting period as per previous GAAP.
First time adoption	There is no specific standard dealing with the preparation of the first Indian GAAP financial statements. Thus, full retrospective application of Indian GAAP is required	IFRS 1 gives detailed guidance on preparation of the first IFRS financial statements. To help overcome a number of practical challenges for a first-time adopter, there are certain mandatory exemptions/voluntary exemptions from the full retrospective application	Ind AS 101 gives detailed guidance on preparation of the first Ind AS financial statements. To help overcome a number of practical challenges for a first-time adopter, there are certain mandatory exemptions/voluntary exemptions from the full retrospective application. Ind AS 101 gives few additional voluntary exemptions as compared to IFRS. For example, it gives an exemption whereby an entity can continue using its Indian GAAP carrying value of all its property, plant and equipment as deemed cost at

	Indian GAAP	IFRS	IND-AS
			transition date, provided that there is no change in functional currency. It also gives an exemption whereby a company can continue using its accounting policy under previous GAAP for capitalisation/deferral of exchange differences arising on long term foreign currency monetary items recognised in financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period.
Presentation of financial statements	Financial statements in relation to a company, includes: 1. Balance sheet as at the end of the financial year; 2. Profit or loss account for the financial year; 3. Cash flow statement for the financial year; 4. Explanatory notes annexed to, or forming part of, any document referred to above	A complete set of financial statements under IFRS comprises: 1. Statement of financial position as at the end of the financial year; 2. Statement of profit or loss and other comprehensive income for the financial year – Either as single statement or two separate statements; 3. Statement of changes in equity; 4. Statement of cash flows for the financial year; and 5. Notes comprising significant accounting policies and other explanatory information	Similar to IFRS
Comparative figures	Comparative figures are presented for one year as per the requirements of schedule III.	Comparative figures are presented for minimum one year. However, when a change in accounting policy has been applied retrospectively or items in financial statements have been restated/reclassified which has an impact beyond the comparative period, a statement of financial position is required as at the beginning of the earliest comparative period	Comparative figures are presented for minimum one year. However, when a change in accounting policy has been applied retrospectively or items in financial statements have been restated/reclassified which has an impact beyond the comparative period, a balance sheet is required as at the beginning of the earliest comparative period
Formats for	Schedule III of the Companies	IAS 1 does not prescribe	Ind AS 1 does not prescribe

	Indian GAAP	IFRS	IND-AS
presentation of financial statement	Act 2013 prescribes the minimum requirements for disclosure on the face of the balance sheet and profit and loss account and notes. AS 3 provides guidance on the line items to be presented in the statement of cash flows.	any rigid format for presentation of financial statement. However, it specifies the line items to be presented in the statement of financial position, statement of profit or loss and other comprehensive income and statement of changes in equity. IAS 7 provides guidance on the line items to be presented in the cash flow statement	any rigid format for presentation of financial statement. However, it specifies the line items to be presented in the balance sheet, statement of profit and loss and statement of changes in equity. Ind AS 7 provides guidance on the line items to be presented in cash flow statement. In addition to above, Ind AS compliant Schedule III of the Companies Act, 2013 prescribes the format for presentation of balance sheet and statement of profit and loss which companies need to follow.
Presentation of income statement	Schedule III of the Companies Act 2013 requires an analysis of expenses by nature	An analysis of expenses is presented using a classification based either on the nature of expenses or their function whichever provides information that is reliable and more relevant.	Entities should present an analysis of expenses recognized in profit or loss using a classification based only on the nature of expense
		If presented by function, specific disclosure by nature are provided in the notes. When items of income or expense are material, their nature and amount are separately disclosed.	Ind AS compliant Schedule III of the Companies Act 2013 also requires an analysis of expenses by nature.
Statement of other comprehensive income	No concept of other comprehensive income prevails	Among other items, the components of other comprehensive income includes: 1. Changes in the revaluation surplus; 2. Foreign exchange translation differences; 3. Re-measurements of post-employment benefit obligations; 4. Gains or losses arising on fair valuation of financial assets; 5. Effective portion of gains or losses on hedging instruments in	Similar to IFRS

	Indian GAAP	IFRS	IND-AS
		cash flow hedge; 6. Share of other comprehensive income of investments accounted for using the equity method; 7. Foreign currency exchange gains and losses arising on translation of net investment in a foreign operation. These components are grouped into those that, in accordance with other IFRSs (a) will not be reclassified subsequently to profit or loss, and (b) will be reclassified subsequently to profit or loss when specific conditions are met.	
Presentation of profit or loss attributable to non-controlling interests	Profit or loss attributable to the minority interests is disclosed as deduction from the profit or loss for the period as an item of income or expense	Profit or loss attributable to non-controlling interest and equity holders of the parent are disclosed in the statement of profit or loss and other comprehensive income as allocations of profit or loss and total comprehensive income for the period	Similar to IFRS
Extraordinary items	Extraordinary items are disclosed separately in the statement of profit and loss and are included in the determination of net profit or loss for the period.	Presentation of any items of income or expense as extraordinary is prohibited	Similar to IFRS
Correction of prior period items	These are reported as a prior period adjustment in the current year results. Comparative information of the earlier years is not restated	Material prior period errors are corrected retrospectively in the first set of financial statements approved for issue after their discovery by restating the comparative amounts for the prior period(s) presented in which the error occurred, or if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.	Similar to IFRS
Disclosure of critical judgements and capital disclosures	There is no such requirement in AS 1 or Schedule III.	IAS 1 requires disclosure of critical judgements made by the management in applying accounting policies and key sources of estimation uncertainty that have a significant risk of causing a material	Similar to IFRS

	Indian GAAP	IFRS	IND-AS
		adjustment to the carrying amounts of assets and liabilities within the next financial year. It also requires disclosure of information that enables the users of financial statements to evaluate an entity's objectives, policies and processes for managing capital.	
Measurement of investments	Under Indian GAAP, current investments are measured at lower of cost or market value. Accordingly unrealised increase in the value is not recognised in Income statement, only the unrealised diminution in the value is recognized. Long term investments are measured at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the long term investments	Under IAS 39, the investments are categorised as financial assets and can be classified in following four categories based on the conditions mentioned therein: 1. Fair value through profit or loss; 2. Held to maturity; 3. Loans and receivables; 4. Available for sale	Under Ind AS 109, the investments are categorized as financial assets and can be classified in the following three categories based on the conditions mentioned therein: 1. Amortised cost; 2. Fair value through profit or loss; 3. Fair value through other comprehensive income
Functional currency	Under Indian GAAP, there is no concept of functional currency. Generally, the books and records are maintained in the currency of the country in which the company is incorporated.	IAS 21 requires the assessment of functional currency basis the conditions specified therein. Functional currency is defined as the currency of the primary economic environment in which the entity operates. The functional currency could be different from the currency of the country in which the company is incorporated.	Similar to IFRS
Employee benefits	Actuarial gains/ losses for net defined benefit liability (asset) are recognised in profit and loss	IAS 19, Employee Benefits requires the impact of re-measurement in net defined benefit liability (asset) to be recognized in other comprehensive income (OCI). Re-measurement of net defined benefit liability (asset) comprises actuarial gains or losses, return on plan assets (excluding interest on net asset/liability). Further, the amount recognised in OCI is not reclassified to the Statement of Profit and Loss.	Similar to IFRS.
	Market yield at the balance sheet date on government bonds are used as discount rates	Discount rate is determined by reference to market yields at the end of reporting period on high quality corporate bonds. In	Discount rate is determined by reference to market yield on market yields at the end of reporting period on government bonds. However,

	Indian GAAP	IFRS	IND-AS
		countries where there is no deep market in such bonds, the market yield on government bonds denominated in that currency should be used	subsidiaries, associates, joint ventures and branches domiciled outside India should use rate determined by reference to market yields on high quality corporate bonds at the end of reporting period. In case such subsidiaries, associates, joint ventures and branches are domiciled in countries where there is no deep market in such bonds, market yield at the end of reporting period on government bonds of that country should be used. The currency and term of government bonds or corporate bonds should be consistent with the currency and estimated term of post-employment benefits.
Common control business combinations	Under Indian GAAP, none of the standards differentiate between common control and other business combinations. However, AS 14 requires the pooling of interest method to be applied to an "amalgamation in the nature of merger," which is an amalgamation that satisfies five prescribed conditions. Under the pooling of interest method prescribed in AS 14, no goodwill or capital reserve is recognized in the financial statements. Also, if consideration paid through issuance of securities, AS 14 requires such securities to be recognized at fair value.	IFRS 3 does not prescribe any specific method for accounting of common control business combinations. Hence, either pooling or acquisition method may be possible.	Ind-AS 103 mandates the recording of common control transactions using pooling of interest method
	Excess of consideration over the value of net assets of transferor company acquired by the transferee company is recognized as goodwill in the financial statement of transferee company. If the amount of consideration is lower than value of net assets acquired, the difference is recognized as capital reserve.	Goodwill is measured as the difference between: Aggregate of a) the acquisition-date fair value of the consideration transferred b) amount of non-controlling interest c) in a business combination achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquire and ▪ net of acquisition date fair values of the identifiable assets acquired and the liabilities assumed.	Similar to IFRS. However, any gain on bargain purchase is recognized in other comprehensive income and accumulated in equity as capital reserve. If there is no clear evidence of the underlying reason for classification of the business combination as a bargain purchase, the resultant gain is recognized directly in equity as capital reserve.

	Indian GAAP	IFRS	IND-AS
		If the above difference is negative, resultant gain is recognized as bargain purchase in profit and loss.	
	If two or more investments are made over a period of time, the equity of the subsidiary at date of investment is generally determined on a step by step basis.	For business combinations achieved in stages, if the acquirer increase an existing equity interest so as to achieve control of the acquire, the previously held equity interest is remeasured at acquisition date fair value and any resulting gain or loss is recognised in profit & loss.	Similar to IFRS
Dividend adjustment	As per requirements of AS 4, dividends proposed or declared after the balance sheet date but before approval of the financial statements are recorded as a provision in the balance sheet.	Liability for dividends declared to holders of equity instruments is recognized in the period when declared. It is a non-adjusting event.	Similar to IFRS
Government Grant	Two broad approaches may be followed – the capital approach or the income approach. Government grants in the nature of promoters' contribution i.e. they are given with reference to the total investment in an undertaking or by way of contribution towards its total capital outlay and no repayment is ordinarily expected, are credited directly to shareholders' funds. Grants related to revenue are recognised in the statement of profit and loss on a systematic and rational basis over the periods necessary to match them with the related costs. Grants related to depreciable assets are either treated as deferred income and transferred to the statement of profit and loss in proportion to depreciation, or deducted from the cost of the asset.	Government grants are recognised as income to match them with expenses in respect of the related costs for which they are intended to compensate on a systematic basis. Government grants are not directly credited to shareholders' interests. Grants related to assets are presented in the balance sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of asset	. Grants related to assets, including non-monetary grants at fair value should be presented in the balance sheet only by setting up the grant as deferred income
Inventories	No specific guidance in AS-2 for reversal of write down inventories. However, reversals may be permitted as AS-5 requires this to be disclosed as a separate lime item in the statement of profit and loss.	Write down of inventory is reversed if circumstances that previously caused inventories to be written down below cost no longer exist or where there is a clear evidence of increase in net realizable value because of change in economic conditions. The amount of reversal is limited to amount of	Similar to IFRS

	Indian GAAP	IFRS	IND-AS
		original write down	
	Inventories to be classified as per the requirements of Schedule III as: Raw material Work in progress Finished goods Stock in trade Stores and spares Loose tools Others	No specific classification requirements	Inventories to be classified as per the requirements of Schedule III.
Borrowing costs	A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use or sale. A period of twelve months is considered a substantial period unless a shorter or longer period can be justified	Similar to Indian GAAP. However, unlike Indian GAAP, there is no bright line for the term 'substantial period'.	Similar to IFRS
	No such scope exception similar to Ind AS	Borrowing costs need not be capitalized in respect of i) qualifying assets measured at fair value (e.g. biological assets) ii) inventories that are manufactured, or otherwise produced, in large quantities on a repetitive basis. This is an option.	Similar to IFRS
Provisions			
	A provision shall be recognised when all of the following conditions are met: (a) an enterprise has a present obligation as a result of a past event; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate can be made of the amount of the obligation	A provision is recognised only when a past event has created a legal or constructive obligation, an outflow of resources is probable, and the amount of the obligation can be estimated reliably. A constructive obligation is an obligation that derives from an entity's actions where, by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities; and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.	Similar to IFRS
	Discounting of liabilities is not permitted and provisions are carried at their full values except for decommissioning/ restructuring liabilities w.e.f. April 1, 2016	When the effect of time value of money is material, the amount of provision is the present value of the expenditure expected to be required to settle the obligation. The	Similar to IFRS

	Indian GAAP	IFRS	IND-AS
		discount rate is a pre-tax rate that reflects the current market assessment of the time value of money and risks specific to the liability	
Segment reporting	AS 17 requires an entity to two sets of segments (business and geographical), using a risk and rewards approach, with the enterprise's system of internal financial reporting to key management personnel serving only as the starting point for identification of such segments.	Operating segments are identified based on financial information that is regularly reviewed by the chief operating decision maker in deciding how to allocate resources and in accessing performance	Similar to IFRS

INDUSTRY OVERVIEW

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various publications and industry sources such as CRISIL, LMC Automotive, and International Monetary Fund. Neither the Company, nor the BRLMs nor any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on, or base their investment decision on this information.

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GLOBAL ECONOMIC OVERVIEW

Global Growth Muted, Indian Economy Likely to Grow Faster

According to the International Monetary Fund (IMF), the baseline projection for global growth in 2016 is 3.2%, broadly in line with last year. The projected pick-up in growth in 2017 hinges on rising growth in emerging market and developing economies, as growth in advanced economies is expected to remain modest. *(Source: International Monetary Fund, World Economic Outlook, April 2016).*

Growth in the United States fell to 1.4% at a seasonally adjusted annual rate in the fourth quarter of 2015, due to factors including weak exports, weaker domestic demand and decline in non-residential investment.

Growth in Europe was in line with forecasts as strengthening domestic demand offset a weaker external impulse among countries. For example, growth was weaker in Italy than what was expected but the recovery was stronger in Spain.

In Asia, Japan's growth came out significantly lower than expected during the fourth quarter of 2015, reflecting in particular a sharp drop in private consumption.

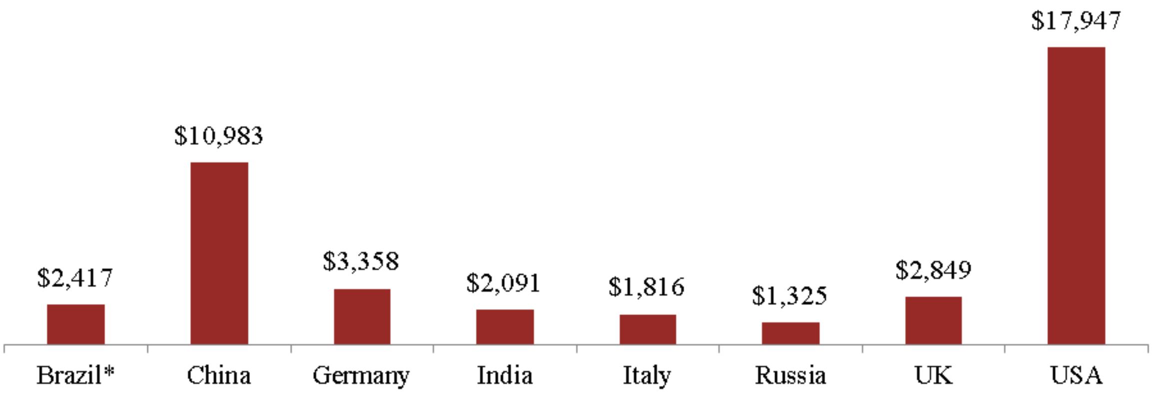
Growth in China was in contrast slightly stronger than previously forecast, reflecting resilient domestic demand, especially consumption. In Latin America, the downturn in Brazil was deeper than expected, while activity for the remainder of the region was broadly in line with forecasts.

Recession in Russia in 2015 was broadly in line with expectations, and conditions worsened in most other Commonwealth of Independent States economies, affected by spill overs from Russia as well as the adverse impact of lower oil prices on net oil-exporting countries

In India, growth is projected to accelerate in 2016–17, which will continue to be driven by private consumption, which has benefited from lower energy prices and higher real incomes.

Nominal GDP (USD Billion)

Nominal GDP for the selected countries as of Fiscal 2016 is set out below:



**Data for Brazil as on FY2014*
Source: International Monetary Fund, World Economic Outlook, April 2016 - Database

	Real GDP Growth Rate (%)						
	2012	**2013**	**2014**	**2015**	**2016P**	**2017P**	**2021P**
Brazil	1.9	3.0	0.1	-3.8	-3.8	0.0	2.0
China	7.7	7.7	7.3	6.9	6.5	6.2	6.0
Germany	0.6	0.4	1.6	1.5	1.5	1.6	1.2
India	5.6	6.6	7.2	7.3	7.5	7.5	7.8
Italy	-2.8	-1.7	-0.3	0.8	1.0	1.1	0.8
Russia	3.5	1.3	0.7	-3.7	-1.8	0.8	1.5
United Kingdom	1.2	2.2	2.9	2.2	1.9	2.2	2.1
United State of America	2.2	1.5	2.4	2.4	2.4	2.5	2.0

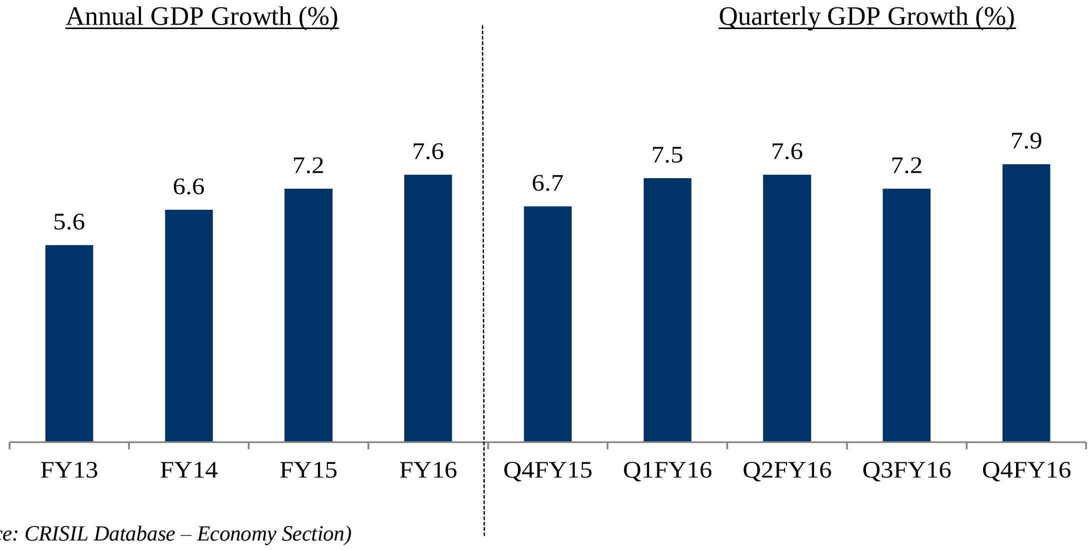
Source: International Monetary Fund, World Economic Outlook, April 2016

INDIAN ECONOMIC OVERVIEW

Indian population is estimated at 1.25 billion (as of July 2015) of which 67.3% and 32.7% lived in rural and urban areas, respectively, with an estimated annual urbanization rate of 2.38%. The median age of its population is 27.3 years, which makes it one the youngest population in the world. *(Source: CIA, Worldfactbook)*

As per the revised estimates released by the Central Statistical Organization (CSO), India's GDP grew 7.6% in fiscal 2016 and 7.9%, growth in the three months ended March 31st, 2016, which was at a six-quarter high, bolstered by private final consumption expenditure. While the services sector growth was 8.9% as compared to 9.2% growth estimated earlier, industrial and agricultural growth increased 10 basis points to 7.4% and 1.2%, respectively. *(Source: CRISIL Database – Economy Section)*

Gross Domestic Product: Growth Rate (%)



(Source: CRISIL Database – Economy Section)

It is expected that demand will increase in fiscal 2017 with a normal monsoon, increased public sector wages and as banks and financial institution pass on lower interest rate to borrowers s. Taken with the crowding-in effect from stepped-up public investment, private investment should rise towards the end of this fiscal year. CRISIL Research expects GDP growth rate to be 7.9% in fiscal 2017. *(Source: CRISIL Database – Economy Section)*

Gross value added (GVA) for the year 2015-16 is estimated at 7.2% as compared to the growth of 7.1% in 2014-15. At the sectoral level, the growth rate of GVA for agriculture and allied sectors, industry and services sectors for the year 2015-16 are estimated at 1.2%, 7.4%, and 8.9%, respectively. *(Source: Monthly Economic Reports, Ministry of Finance)*

GLOBAL AUTOMOTIVE INDUSTRY

The global automotive industry comprises of players that design, develop, manufacture, sell and service light vehicles and heavy commercial vehicles. The light vehicle segment consists of passenger cars, vans and light trucks weighing less than six tons, while the heavy vehicle segment is generally defined as the market for vehicles weighing in excess of six tons. According to LMC Automotive, in 2015, approximately 88.7 million light vehicles were produced globally (+1.7%against previous year). Despite the crisis in Russia and the sharp negative impacts to the Russian automotive industry, the European countries (Western and Eastern Europe including Russia) raised its light vehicle production by 4.2% against 2014 to 21.0 million units. Therefore, the positive automotive production development in Western Europe and in the new EU countries could more than compensate the loss in Russia. Last year, the light vehicle production in Americas was characterized by the contrary development between North and South America. In 2015, in North America, the light vehicle output expanded by 3.3% to 17.5 million units, whereas in South America, it declined by 19.6% to 3.1 million units as compared to 2014. In total, 20.6 million light vehicles were produced in the Americas, a slightly decline of 0.9% against previous year. According to LMC Automotive, the light vehicle output in Asia Pacific region reached approximately a volume of 45.2 million units in 2015. In Asia Pacific region, this, the Chinese production grew at a rate of 4.7% from production volume of 23.7 million light vehicles in 2014.

The automotive production value chain comprises OEMs, such as Volkswagen, Daimler, Ford, Hyundai, Toyota and Renault-Nissan, and automotive part suppliers, such as Motherson Sumi Systems Limited, Magna International, Faurecia, Bosch, Continental and Gestamp. The automotive part supplier industry is further segmented into three tiers. Tier 1 automotive suppliers sell their products directly to OEMs. Typically these products are larger modules or systems which integrate components, sometimes sourced from Tier 2 automotive suppliers. Tier 2 suppliers sell individual components or component groups to Tier 1 suppliers, which components or component groups in turn typically integrate individual parts produced by and purchased from Tier 3 suppliers. In general, suppliers develop components and systems on the basis of agreements with OEMs to meet their technological, economic and regulatory requirements. Replacement parts are sold via the original equipment service ("OES") channel and directly to end users in the independent aftermarket. Automotive suppliers are typically further divided into sub-segments based on their product or systems function within the car. A typical classification of automotive suppliers by vehicle function could include the following sub-segments: powertrain, body and structural, exterior, interior, transmission and suspension. There are multiple different market leaders in the respective sub-segments.

Automotive suppliers' revenue is primarily driven by light vehicle production volume and the content per vehicle for the components and systems produced by such suppliers. Suppliers typically have contracts that cover the full life of a vehicle platform or model range, which usually have an average life of five to seven years. Certain components, such as bumpers and exterior lighting, may be updated part-way through the vehicle model lifecycle in what is referred to as a "mid-cycle refresh" action.

The actual production volume of a given vehicle program is rarely fixed and may vary from OEM projections depending on consumer demand. General economic conditions (e.g. GDP growth, inflation, exchange rates, fuel prices) and consumer confidence levels have a significant impact on vehicle demand, with both, positive and negative additional exogenic impacts resulting from changes in the regulation framework (e.g. CO2 regulation in the European Union) and government policies (such as the tax reduction for cars with engines up to 1.6L displacement in China introduced in 2015). Other specific factors that can influence automotive production include changing demographics (e.g. population growth, aging and urbanization), evolving consumer preferences, levels of consumer disposable income and replacement requirements of old vehicles and affordability.

	Production of Light Vehicles (Unites in millions, Calendar Year)*								**CAGR**	
	2013	**2014**	**2015**	**2016E**	**2017E**	**2018E**	**2019E**	**2020E**	**13-15**	**15-20E**
Western Europe	12.7	13.2	14.2	14.7	15.1	15.1	15.0	15.0	5.7%	1.1%
Central and Easter Europe	6.8	6.9	6.8	6.8	7.1	7.8	8.4	8.7	(0.5%)	5.2%
Europe	19.5	20.1	21.0	21.6	22.2	22.9	23.4	23.7	3.6%	2.5%
North America	16.2	17.0	17.5	18.1	18.4	18.7	19.3	19.5	4.2%	2.1%
South America	4.5	3.8	3.1	2.6	2.8	3.0	3.1	3.4	(17.7%)	1.9%
Japan / Korea	13.7	13.8	13.3	13.1	13.0	12.7	12.7	12.8	(1.6%)	(0.7%)
Greater China	21.2	23.0	24.0	25.5	26.0	27.6	29.4	30.8	6.4%	5.1%
South Asia	8.1	7.7	7.9	8.2	8.7	9.3	10.0	10.6	(1.3%)	6.0%
Middle East / Africa	1.4	1.8	1.9	2.3	2.7	2.9	3.1	3.3	15.5%	12.3%
Total	**84.7**	**87.2**	**88.7**	**91.4**	**93.6**	**97.0**	**100.9**	**104.1**	**2.3%**	**3.3%**
Select Countries										
Germany	5.7	5.8	6.0	6.1	6.1	6.0	5.9	5.9	2.4%	(20.0%)
US	10.9	11.4	11.9	12.2	12.1	12.3	12.5	12.5	4.5%	1.0%
Mexico	2.9	3.2	3.4	3.5	4.1	4.5	4.8	5.1	8.2%	8.3%
Brazil	3.5	3.0	2.4	2.0	2.1	2.3	2.5	2.7	(17.8%)	2.4%
India	3.5	3.5	3.7	4.1	4.5	4.8	5.3	5.8	3.0%	9.0%
Russia	2.1	1.8	1.3	1.2	1.3	1.5	1.8	1.9	(20.3%)	7.3%
BRIC as % of Total	*35.4%*	*35.5%*	*35.1%*	*35.6%*	*35.8%*	*37.0%*	*38.2%*	*39.2%*	*1.8%*	*5.6%*

Source: LMC Automotive

*Both historical and forecast data is based on data published by LMC Automotive as of April 30, 2016. Actual production may differ materially from the forecasts presented below as a result of various factors, and there can be no assurance that any of these forecasts will be accurate.

According to LMC Automotive, global light vehicle production is expected to grow from 88.7 million units in 2015 to 104.1 million units in 2020, representing a CAGR of 3.3%.

Region wise Information

Europe (including Russia)

The European light vehicle production has seen gradual recovery since 2013 following a general improvement of the economic situation in the Eurozone. The production volume in Europe grew to 21.0 million units in 2015 with a CAGR 2013-2015 of 3.6%. The growth in Europe has been primarily driven by Western Europe, where production volumes grew at a CAGR of 5.7% from 2013 to 2015, primarily due to the recovery of volume in the major southern European economies, i.e. Italy, France and Spain, whose production volumes grew at CAGRs of 22.9%, 6.6% and 11.8% during the period, respectively. From 2015 to 2020, production volume from Western Europe is expected to growth at a CAGR of 1.1%.

Light vehicle production in Central and Eastern Europe dropped from 2013 through 2015 at a CAGR of 0.5%. The overall market decline was caused by deterioration of the production volumes in Russia, where the market has been hit by the deep economic recession resulted from decline in crude oil & gas prices, devaluation of the ruble and ongoing conflict in Ukraine and subsequent sanctions.

Excluding Russia, production in Central and Eastern Europe grew at a CAGR of 7.0% from 2013 and 2015, led by Hungary (29.9% CAGR), Turkey (10.3% CAGR) and Czech (8.8% CAGR). From 2015 to 2020, LMC Automotive projects strong growth at a CAGR of 5.2% for the Central and Eastern Europe region. Excluding Russia, the corresponding CAGR would be 4.7%.

North America (including Mexico)

North American light vehicle production has continued its positive trend since the 2009 financial crisis with six consecutive years of robust volume growth in 2010-2015 to 17.5 million units in 2015. From 2013 to 2015, North American production volume grew at a CAGR of 4.2%. This growth was primarily attributable to strong recovery in light vehicle sales, which benefited from strong economic conditions, high availability of financing and low fuel price. Another key development in the North American market has been a trend towards local production by German and Asian OEMs, which established several new production sites in the Southern United States and Mexico to supply the market directly with localized car models. According to LMC Automotive, the positive trend is expected to continue through 2020 in North America, with a projected CAGR period from 2015 through 2020 of 2.1% driven by a robust development on the North American market and further green field investments of German and Asian OEMs. Mexico is expected to experience highest growth, at a CAGR of 8.3% for the same period, which is expected to be driven by several plant openings by non-U.S. OEMs in the country over the next few years and positive outlook for the Mexican economy. Restructuring of the North American automotive industry and subsequent volume recovery has resulted in fundamental improvement in OEM and supplier economics in the region.

South America

South America experienced a significant deterioration in the local automotive market from 2013 to 2015, with production volumes down from 4.5 million units to 3.1 million vehicles, representing a negative CAGR of 17.7%. This was mainly attributable to Brazil, the largest production country in the region (over 75% of total production volume in 2015), whose economy underwent severe recession, caused by high inflation, rising interest rates and sharp devaluation of the Brazilian real. The loss in purchasing power and higher cost of borrowing affected new vehicle sales dramatically. In 2015, the market contracted to its lowest figure since 2007. The Brazilian government introduced tariffs and raised the tax on imported cars at the end of 2011, with further measures including tax breaks for OEMs if they did more engineering work in Brazil and used Brazilian automotive suppliers. These policies have led to increased localization of production by global OEMs as local production has become necessary to maintain competitive pricing. Therefore, the Brazilian light vehicle production depends almost completely on the local market. According to LMC Automotive, light vehicle production in South America is projected to bottom out in 2016 and reach 3.4 million units by 2020, representing a CAGR of 1.9% over 2015 -2020. This is driven by expected recovery in Brazil, which is expected to see production growth at a CAGR of 2.4% over the period.

Asia-Pacific

China is the largest light vehicle production country in the world, accounting for approximately 27% of the global production in 2015. From 2013 to 2015, China was one of the fastest growing production regions globally with growth at a CAGR of 6.4% over the period. Despite the continuing slowdown of the market, China is expected to remain the key driver for global light vehicle production growth. From 2015 through 2020, production volume in China is projected to increase from 23.7 million units at a CAGR of 5.2% to 30.5 million units, accounting for approximately 44% of total expected absolute global volume increase during the period. India, the fourth largest light vehicle production location in the Asia Pacific region, achieved a sustainable growth since 2013. The light vehicle assembly climbed in the last two years with a CAGR of 3.0% to 3.7 million units. LMC Automotive expects an acceleration of the growth trend from 2015 through 2020. The forecast shows an increase to 5.8 million light vehicles with a CAGR of 9.0%. The light vehicle production in ASEAN countries (Indonesia, Malaysia, Philippines, Thailand and Vietnam) declined from 2013 to 2015 with a negative CAGR of 5.7%. The key markets in this region, Indonesia and Thailand, both recorded downturns since 2013. The light vehicle production dropped with a negative CAGR in this period of 2.0% and 11.5%

respectively. According to LMC Automotive, the light vehicle production in ASEAN is forecasted to rebound until 2020 to 4.6 million units with a CAGR of 4.0%.

Japan and South Korea, which are primary developed economies in Asia-Pacific region, have experienced difficult environment for light vehicle production as domestic car makers transfer production overseas and the growth potential on domestic vehicle sales is limited. In Japan, production volumes declined with a negative CAGR of 2.6% during the period from 2013 through 2015. According to LMC Automotive, production volumes in Japan are expected to continue to decline at a negative CAGR of 1.1% during the period from 2015 through 2020. In South Korea, light vehicle production has experienced a nearly flat development, represented by a CAGR of 0.5% during the period from 2013 through 2015. Production is forecasted to remain even with a CAGR of 0.1% during the period from 2015 through 2020.

Global Automotive Components Industry Overview

The global automotive industry has witnessed consolidation efforts in the past which were motivated by growth. However, the current market scenario *is* expected to lead to a second wave of consolidation influenced by the difficult situation of automotive OEM companies. OEMs increasingly will emphasise relationships with financially healthy and strong suppliers who will be stable, long-term partners. Distressed or highly leveraged suppliers could have difficulty in renewing contracts.

As a result:

- Large and well capitalized suppliers are expected to gain market share;
- A large part of the supply base is expected to file for bankruptcy protection; and
- OEMs are expected to continue to seek more efficient supply chain with fewer global providers.

Key Emerging Themes Together with their Implications are:

Themes	Implications
Increasing willingness amongst OEMs to enter into alliances and partnerships	■ Provides an opportunity to a stable and scale supplier to supply to the incoming OEM partner if it is not a client ready
Possible drift in consumer preference shifting from gas guzzlers to fuel efficient small cars	■ In-house technologies of the large car manufacturers to give way to increased outsourcing ■ Increasing use of forged products due to power compressing in smaller lighter / hybrid engines
Greater focus on stringent emission norms	■ Will lead to replacement of castings component with forgings components

Market and Industry Trends

A. Key Trends Affecting the Global Automotive Supplier Industry

Globalization of Platforms

OEMs are continuing to increase the number of vehicles built on a single platform in an effort to reduce the time and resources spent on the development of new platforms. Vehicle platform-sharing allows OEMs to build a greater variety of vehicles from one basic set of engineered components, lowering overall costs by spreading development expenses over a greater number of units produced. By implementing "platform-sharing" globally, OEMs are able to realize significant economies of scale. To support this strategy, OEMs require suppliers to match the size, scale and geographic footprints of these platforms.

Suppliers with a global footprint, broad product offering and the requisite manufacturing expertise are well-positioned to benefit from globalization of platform. As they can overcome barriers to entry associated with the global supply of a broad product portfolio and are able to efficiently respond to customers' local needs. In addition, higher production volumes across fewer platforms are expected to result in cost savings for suppliers, as they further standardize and optimize their operations

Localization of Production in Emerging Markets

Increasing disposable income and low existing vehicle production, as well as the development of efficient road infrastructure, are driving the demand for light vehicles in emerging markets. As a result of increasing local demand combined with low manufacturing costs and no import duties for locally manufactured products, global OEMs are increasingly expanding their production and sales networks in emerging markets. This has been a particularly significant trend in the premium segment, in which OEMs such as Audi, BMW, Daimler and Jaguar Land Rover have historically exported a significant proportion of their production from Europe and North America to major emerging markets such as China and Brazil. As the premium segment in these markets is projected to continue to grow, most major global premium car makers have plans to expand their local production footprints. In China, for example, Daimler has more than doubled its local light vehicle production volume in the last two years. Large-scale suppliers with strong OEM relationships and resources to invest in their global production footprint are well-positioned to realize growth opportunities in emerging markets by following their customers.

Increased Outsourcing Leading to a High OEM Dependency on External Suppliers

As OEMs focus their resources on final assembly of vehicles, they are increasingly looking to external suppliers for content they have historically produced in-house. This trend is underpinned by OEMs' growth outside their home markets, consumer expectations with regard to product complexity and feature integration and an increased focus on safety and the environment. Suppliers can benefit from economies of scale derived from serving various customers on a global scale, while OEM customers may find more difficulty achieving similar cost and quality levels in-house. The outsourcing trend has led to an increase in OEM dependency on suppliers capable of managing complex projects while maintaining high quality standards across multiple geographies. Furthermore, while know-how is still being developed by suppliers and product design is still largely controlled by OEMs, there is an increasing collaboration between OEMs and Tier 1 suppliers from a vehicle program's initial stages. These research and development partnerships between OEMs and suppliers seek to achieve long-term strategic cooperation in line with the OEMs' cost reduction initiatives.

Consolidation of Supplier Base

In order to take advantage of the operational economies of scale, OEMs are encouraging consolidation of their supplier base with an increased focus on large, technically and financially strong global suppliers capable of producing consistent and high-quality products across multiple production regions. The OEMs supply use a number of factors to determine their preferred suppliers including, among other things, product quality, service (including location, service interruptions and on-time delivery), in-house research and development and technological capabilities, overall track record and quality of relationship with the OEM, production capacity, financial stability and product price.

Connectivity and Autonomous Driving

Intelligent connectivity and digitization, both inside and outside the vehicle, will play an ever more important role in the future. Connectivity is the name given to communication between one vehicle and another, and between a vehicle and the infrastructure, for instance with traffic lights or traffic control systems. Automated driving refers to the capability of a vehicle to drive itself at various levels of independence from the vehicle occupants to a destination in real world traffic, using its onboard sensors, and software intelligence, combined with navigation systems so that it can recognize its surroundings. For tier-1 automotive suppliers, the rapid increase in penetration of advanced driver assistance systems (e.g. lane departure warning) and introduction of semi-autonomous features (e.g. parking assist system) are providing significant growth opportunities. Automotive suppliers with strong OEM relationships, significant research and development resources and systems integration capabilities could play a significant role in these new trends and the associated technologies.

B. Key Growth Trends in Product Segments

Increasing safety features

Stricter legal requirements and consumer preference for safer vehicles and increasing traffic volumes are driving the development of new features to enhance driver, passenger and pedestrian safety. Most new safety technologies are based on electronic components, in particular, sensors, which typically have high value content. Suppliers with strong technological capabilities and expertise in electronic systems are well positioned to benefit from this trend. Suppliers with expertise in the integration of complete systems and modules will benefit from the increased use of electronic driver and pedestrian safety aids, as added electronics content can significantly increase the value of a complete module. The introduction of new safety technologies is typically led by the premium segment, but many key safety technologies are increasingly migrating into higher-volume segments.

Higher Consumer Expectations of Interior Quality, Aesthetics and Comfort

Interior design is generally customized for each individual model program, and represents one of the main distinctive features of a vehicle. Interior quality and comfort are important factors that can greatly influence a consumer's vehicle selection, and are evaluated through a number of criteria such as visual ambiance, functionality, acoustics, aesthetics, new styling solutions and quality of finish. The trend towards higher consumer expectations for interior content is increasingly evident in OEMs' demands for improved fit, finish and craftsmanship in interiors across all vehicle segments. The OEMs are dedicating a larger portion of total cost per vehicle to interior components as they "upscale" vehicle interiors across their entire portfolio of platforms. Suppliers with advanced design, materials science and manufacturing capabilities, with the ability to deliver a broad suite of interior component products at the quality levels OEMs demand, should benefit from these trends.

Furthermore, this trend has led to a recent migration of high-priced, sophisticated luxury components from premium into higher-volume segments, thus benefiting the experienced suppliers of sophisticated components to the premium segment such as us. In addition the clear trend toward the various stages of autonomously driving vehicles is starting to create a change in the future interior environment. Increasing levels of technology will be required to provide information to the vehicle occupants and support the transforming needs of the mobility experience.

Environmental Initiatives

Regulatory changes and shifting consumer preferences have driven OEMs and suppliers to increase their focus on producing "environmentally friendly vehicles," with emphasis on fuel efficiency, reduced emissions and the use of sustainable materials. The increasing need for components that are lightweight and environmentally friendly will continue to provide an opportunity for differentiation as OEMs strive to reduce the ecological footprint of their vehicles. Recyclability of synthetic materials, such as plastics, has become of increasing importance amid strengthening regulatory requirements for recyclability of vehicles, in particular in Europe. This increasing trend toward environmental friendliness is driving the development of bio-based renewable materials by suppliers, which can be up to 100% recyclable. Suppliers at the forefront of recyclable and renewable materials will be well-positioned to capitalize on this growing demand

INDIAN AUTOMOTIVE INDUSTRY

I. Faster Growth, Brighter Future for Cars & UVs

Growth in the domestic passenger vehicle industry is expected to accelerate to 9-11% in 2016-17 vis a vis a 7% growth in 2015-16 and a flat (-0.4%) CAGR over the past 4 years. ***(Source: CRISIL Database – Cars & Utility Vehicle)***

This growth is expected to be led by a faster economic growth and improvement in consumer sentiments (driven by rising affordability and competitively priced launches). Demand is expected to pick up on the back of lower interest rates, lower fuel cost resulting in lower cost of ownership despite an increase in prices due to tax imposed by the Union Budget 2016-17 (mainly on SUVs and diesel vehicles). Besides the payout of the 7th pay commission for all civil and military divisions of the Government of India during the latter part of 2016-17 is expected to contribute to growth in the overall passenger vehicle industry.

The long-term outlook on the automotive industry is positive, given the low car penetration levels in India. Crude oil prices are also likely to remain subdued in the next five years. For every 1,000 Indians, there are only 17 cars at present, which highlights the significant growth opportunity for carmakers.\A rise in the working population who will harbour aspirations of a better lifestyle is also expected to help sales to grow at a CAGR of 11-13 % over 2016-17 to 2019-20.

Passenger and Utility Vehicles Sales

	2014-15		2015-16		2016-17E
	Units ('000)	Growth (%)	Units ('000)	Growth (%)	Growth (%)
Passenger Vehicles	2,601	3.7	2,788	7.2	9-11

Passenger Cars	1,876	4.8	2,025	7.9	7-9
- Small Cars	1,620	7.8	1,754	8.3	9-10
- Sedans	256	(10.9)	271	5.9	3-5
Utility Vehicles & Vans	725	1.2	763	5.2	14-16
- Utility Vehicles	551	4.9	586	6.4	17-19
- Vans	171	(10.3)	177	3.5	6-8

Source: CRISIL Database – Cars & Utility Vehicle

II. Broad-based Growth in Domestic Auto Sales Volumes

A. Commercial Vehicles

Medium and Heavy Commercial Vehicles to continue growing at a healthy pace of 16-18% in 2016-17 backed by improving freight availability, pick-up in industrial activity, and faster execution/awarding of infrastructure projects. Light Commercial Vehicles sales are expected to rebound 7-9% in 2016-17 due to improved private final consumption expenditure, a key driver for Light Commercial Vehicles which are used to carry redistribution freight, implying growth for component makers of this segment

B. Two-Wheelers

Two-wheeler sales is expected to grow at estimated 2% in 2015-16, two-wheeler sales at 8-10% in 2016-17 as motorcycle sales are expected to recover by the second half and clock 4-6% growth assuming normal monsoon. Scooters is expected to continue growing at a faster 16-18% and drive sectoral growth.

C. Tractors

Domestic tractor production is estimated to have declined 7% in 2015-16 owing to weak rural demand exacerbated by insufficient rainfall; with normal monsoon expected demand is expected to improve 10-12% in 2016-17

Domestic Auto Sales Volumes Growth (%)

Vehicle Type	2011-12	2012-13	2013-14	2014-15	2015-16E	2016-17P
2 – Wheelers	16%	2%	7%	10%	2%	8-10%
3 – Wheelers	10%	(4%)	(1%)	14%	(2%)	3-5%
Cars & UVs	6%	3%	(4%)	4%	6%	8-10%
Commercial Vehicles	22%	(10%)	(16%)	0%	12%	10-12%
Tractors	22%	(11%)	22%	(13%)	(7%)	10-12%

Source: CRISIL Database – Cars & Utility Vehicle

III. Key Growth Drivers

A. Economy and Income Growth

In 2016-17, faster economic growth, combined with falling inflation levels is expected to lead to a rise in disposable incomes for customers, improving the industry's prospects. The domestic nominal GDP is expected to grow by 10-11% in 2016-17 while CPI inflation to remain low on account of falling crude prices. Thus, with real income expected to increase in the hands of consumer, discretionary spending is expected to pick up and aid growth of passenger vehicles in India.

B. Interest rate cuts

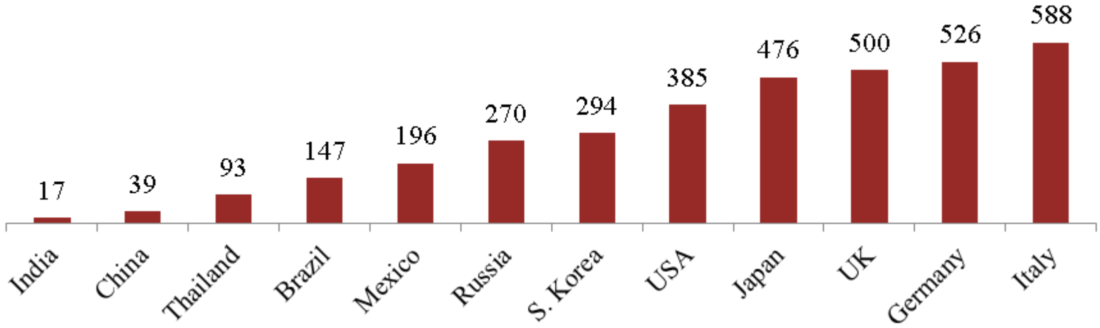
With inflation having fallen to acceptable levels, the RBI is expected to cut repo rate to spur growth. The recent rate cuts (125 bps in 2015) by the RBI are expected to give room for banks to pass on the benefit of lower rates (only 50-75 bps passed up to December 2015), thereby boosting demand. This will bring down the interest rates on passenger vehicle loans. In India, about 75% of the passenger vehicles are purchased through financing.

C. Under-penetrated Indian market

Between 2009-10 and 2014-15, the number of households that could afford a small car (addressable households) increased at a CAGR of 16%, as consumers' disposable incomes increased. Over the next five years, it is expected the number of households that can afford a car will increase at a CAGR of 12 -14%.

A comparison with other countries highlights that despite higher affordability, India continued to be an under-penetrated market in 2013-14, with about 17 passenger vehicles per thousand people. This is significantly lower than the figures in developed nations as well as other BRIC (Brazil, Russia, India and China) countries. By 2019-20, passenger vehicle penetration is expected to increase to about 27 cars per thousand people.

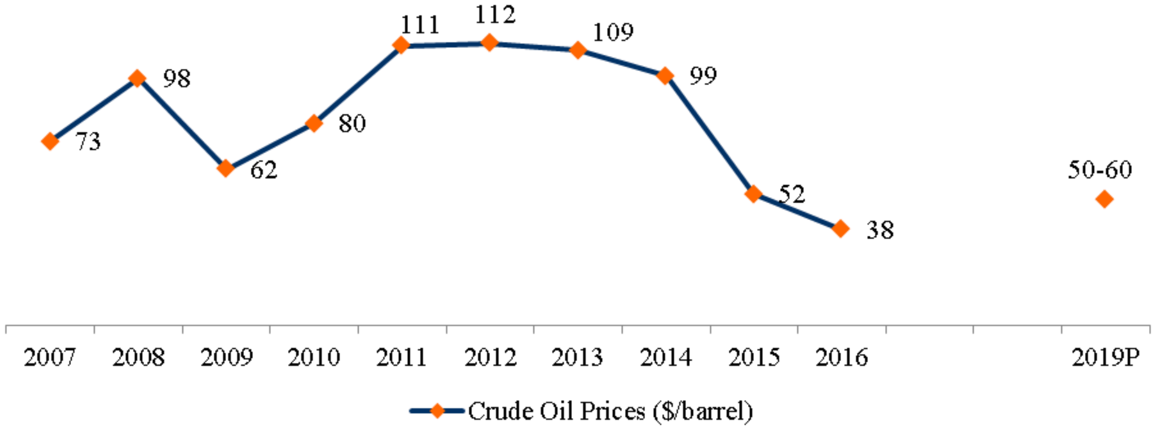
Cars Per Thousand People



Source: CRISIL Database – Cars & Utility Vehicle

D. Declining crude oil prices

Crude oil prices have fallen in response to decline in demand even as global supply continues to increase. Global demand is expected to remain subdued during the 2015-19 due to concerns over economic recovery in Europe and slowing economic growth rates in developing countries such as China. Also, as debt levels of many European countries have increased significantly over the past few years, these countries will have to implement austerity measures to prevent their fiscal position from deteriorating further, consequently lowering crude oil demand from these countries. As a result, crude oil prices are likely to remain stable, thus aiding growth in sales of cars and UVs.



Source: CRISIL Database – Cars & Utility Vehicle

E. Improving Exports

Exports are expected to grow 8-10% during 2016-17 led by a gradual recovery in the global automotive market. In addition, favorable structural factors to the industry, such as lower labor costs and sizeable domestic market are inviting manufacturers to set up manufacturing facilities in India to cater to domestic as well as other markets. Long-term outlook is more positive as manufacturers' efforts to enter into or expand in newer markets. Exports are forecast to post a 9-11% CAGR over the next four years (2015-16 to 2019-20) as global demand recovers slowly.

IV. FDI Drives Growth in Domestic Auto Industry

India has initiated several policy measures since 2001 to attract foreign direct investment (FDI) in the automobile sector Policies have focused on permitting up to 100% FDI and imposing heavy customs duties on the import of new and used vehicles, while encouraging imports of machinery and components.

Measures to encourage domestic production have facilitated tremendous growth of the automotive manufacturing industry in India, making it the seventh-largest global automobile producer. The automotive manufacturing industry, which accounts for almost 7% of India's GDP, has attracted Rs.763 billion, or U.S.$ 14.3 billion, in FDI equity inflow between April 2000 and December 2015. The investment forms 5% of the total FDI inflow into India, as of December 2015.

Annual FDI Inflows in the Automobile Industry

Particulars FYE Mar.31	2011-12	2012-13	2013-14	2014-15	2015-16	Cumulative (Apr' 00 to Mar'16)
INR (BN)	43	84	90	168	164	813
USD (Bn)	1	2	2	3	3	15
% of cumulative (INR Bn)	6%	11%	12%	22%	20%	100%
% of cumulative (USD Bn)	6%	11%	11%	19%	17%	100%

Source: CRISIL Database – Cars & Utility Vehicle

V. Advanced Emission Norms Call for Improved Engine and Fuel Quality

Emission norms are aimed at reducing vehicular pollution, to ensure adherence to these norms, vehicle and fuel systems must be jointly optimised

India has progressively moved to adopting higher standards for emission norms, which permit lesser amounts of pollutants in the fuel. For this purpose, the Central Pollution Control Board has implemented the Bharat Stage (BS) emission norms.

New emission norms necessitate changes to vehicle design and fuel quality, which call for large investments from both automakers and oil refining companies. Although these changes have long-term environmental benefits, they pose near-term challenges such as cost implications.

Realisations for auto component suppliers for the OEM segment are expected to increase 2-3% in 2016-17 of which 1-1.5% is expected due to the price rise in certain components from the second half of 2016-17 owing to Bharat Stage IV implementation

The following table shows the emission limits for BS norms

	For Petrol Vehicles			For Diesel Vehicles		
	CO (g/km)	HC + NOx (g/km)		CO (g/km)	HC + NOx (g/km)	PM
Bharat Stage - I	2.75	0.97		2.72	0.97	0.14
Bharat Stage - II	2.2	0.5		1.0	0.7	0.08
		HC	NOx		HC + NOx	
Bharat Stage - III	2.3	0.2	0.15	0.64	0.56	0.05
Bharat Stage - IV	1.0	0.1	0.08	0.5	0.3	0.025
Bharat Stage - V	1.0	0.1*	0.06	0.5	0.23	0.0045
Bharat Stage - VI	1.0	0.1*	0.06	0.5	0.17	0.0045

CO: Carbon monoxide, HC: Hydrocarbon, NOx : Nitrogen Oxide, PM: Particulate Matter

* Non-methane hydrocarbon limit – 0.068 g/km

The following chart shows the emission technology for various BS norms

Emission Norm	BS I (1995)	BS II (2000)	BS III (2005)	BS IV (2017)	BS VI (2020*)
Petrol Technology	1. Carburettor optimisation 2. Intake, exhaust combustion optimisation	1. Fuel injection 2. Fixed EGR	1. Fuel injection + catalytic converter 2. Variable value timing	1. Direct cylinder injection 2. Multi brick catalytic converter	1. Variable value timing 2. EGR for NOx control 3. Gasoline direct injection
Diesel Technology	1. Retarded injection timing 2. 700 to 800 bar injection pressure	1. Turbo charging 2. High pressure >800 bar	1. Variable geometry turbocharger 2. High pressure >1,200 bar	1. Particulate trap 2. NOx traps 3. Common rail injection >1,600 bar	1. Variable valve timing 2. Variable geometry turbocharger 3. Common rail direct fuel injection 1,800-2,100 bar

Source: CRISIL Database – Cars & Utility Vehicle
** In 2016, government announced BS V to be skipped and adopt BS VI norms by April 1st 2020*

VI. Goods and Services Tax: A Positive

Within the passenger vehicle industry, mid-size segment (1,200-1,500 cc) is expected to be the largest beneficiary with an estimated duty decline of nearly 20%. Small cars segment could see a price benefit of about 10% and luxury cars and UVs segment to get a limited ~5% benefit.

Given the intense competitive landscape, in which market players struggle to maintain their respective market share, it is expected that the market players will pass on their tax benefit to end consumers. It is expected consumer preference to shift towards mid-size segment led by this shrinking gap between small cars and mid-size segment

Moreover, increasing affordability, lower cost of ownership and ample launches in the mid-size segment are expected to support the change in consumer preference as well. For high-end vehicles, no significant impact on demand is expected as price does not particularly dictate the purchasing decision for the high-end customer segments.

Post implementation of Goods and Service Tax, in the two wheeler industry prices are expected to drop by about 8-10%, which is expected to translate into increased demand from customers who are more price sensitive especially in the 100-125 cc segment, 150+ cc vehicles are not estimated have a significant impact.

Tractors are currently levied no central excise duty and a 4% VAT. Under the new GST regime, central GST will remain at 0% and state GST is anticipated to remain in the same range as current VAT. Therefore, not much change in demand is expected in the demand scenario for tractors.

Commercial vehicle, which will be subject to central excise of 12.5% and VAT of 12.5%, is expected to benefit marginally depending on whether revenue neutral rate gets adopted.

GST will lead to hub and spoke model gaining prominence, and a faster shift towards larger Medium and Heavy Commercial Vehicle (MHCV) trucks in primary routes - to 37 tonne from 31 tonne and from 25 tonne multi-axel vehicles and 40 tonne trailers from 35 tonne. The spokes will now be catered largely by Intermediate Commercial Vehicles aiding to overall MHCV sales over the long run.
Auto ancillary industry’s effective tax rate which is currently at 28-30% is expected to be lowered to 18% upon implementation of GST.

However, this benefit of decreased tax will be passed on by the OEMs, which will eventually drive expansion in auto demand. It is also expected to improve the price competitiveness of the organised players, especially in products largely sold in the aftermarket segment (e.g. Batteries - where share from aftermarket is greater than 50%).

INDIAN AUTOMOTIVE COMPONENT INDUSTRY

I. Auto Components to see Strong Volume Growth in 2016-17

Auto-component production has grown at 7% in 2015-16 owing to increased off-take from OEMs, especially of cars and medium and heavy commercial vehicles (MHCVs). However, a poor monsoon dampened demand from tractor, two-wheeler, and light commercial vehicle (LCV) manufacturers. (***Source: CRISIL Database – Auto Component)***

Auto component production would record a CAGR of 11-13% from 2016-17 to reach INR 4,482 billion. Higher realisation is expected across vehicle segments in the long term due to regulatory norms leading to high-value components. Volume growth will be supported by recovery in rural-dependent segments such as motorcycles (+4-6%), LCVs (+7-9%) and tractors (+10-12%). However, rise in raw material costs and cost of BS IV norms implementation will result in growth of 2-3% in 2016-17

Exports grew 6% in rupee terms and contracted 1% in dollar terms due to deceleration in demand from the United States and decline in exports to major European Union destinations such as Germany and the United Kingdom. Exports are expected to grow moderately at 3-6% due to slow down in the commercial vehicle segment and modest demand from UK, Germany and Brazil.

II. Domestic Auto Component Production to Growth

Domestic growth in the OEM segment will be propelled by higher off-take in the passenger vehicle (PV +8-10%) and scooters (+16-18%) segments owing to improved sentiment among urban consumers, Seventh Pay Commission payouts, and new launches, with healthy growth in the MHCV (+16-18%) segment. The extent of recovery in rural-dependent segments such as motorcycles (+4-6%), LCV (+7-9%) and tractors (+10-12%) would be contingent on the monsoon.

Replacement demand is expected to rise at a slightly faster rate of 8-10% year-on-year in 2016-17, amid improving utilization rates of commercial vehicles and healthy growth in two-wheeler sales in 2013-14 and 2014-15.

III. Automotive Components: Demand Outlook by Segment

A. OEM Demand

Expected CAGR of 12-14% between FY16 and FY21, to approximately INR 3,061 billion, led by robust vehicle production. Among OEMs, demand will be primarily from cars and utility vehicles (11-13% CAGR), commercial vehicles (8-11% MHCV, 11-14% LCV and buses 8-10%) and two-wheelers (8-10%).

The proportion of manufacturing activity outsourced to auto-component makers is the highest for cars and utility vehicles at about 60% of a car's total price tag, which explains this segment's prominence.

On the other hand, outsourcing accounts for about 40% of the manufacturing cost for commercial vehicles, which is expected to increase further with the growing technological spending by auto component players, fetching higher realization from CVs for auto-component manufacturers.

B. Replacement Demand

As the proportion of vehicles requiring replacement remains high until 2019-20, after-market demand is expected to be robust. Growth is projected at an 8-10% CAGR in the next five years, as higher production in the past five years (compared with the 2004-2009 period) will lead to more replacement demand.

Total auto-component imports are forecasted to post a 9-11% CAGR between FY16-FY21, slightly lower than the past five year growth of 11.4%. The Government is likely to impose anti-dumping duties on certain components, and OEMs are shifting towards localized products. The trucking industry is expected to gradually shift towards organised auto component players given GST; hence, replacement parts are expected to be increasingly sourced from domestic players, leading to increased use of service stations as the service quality is improves.

C. Export Demand

As global OEMs look to reduce costs, they are expected to increasingly source automotive components from low-cost countries, such as India. Indian component manufacturers have demonstrated their ability to adhere to stringent quality standards. Currently, the penetration of Indian automotive components in major markets such as the NAFTA region and the E.U. is minuscule, forming less than 1% of global exports. Therefore, there is a considerable opportunities for expansion by Indian auto-component players in the next few years.

India has emerged as an auto-component hub for automakers across the globe, given its relatively lower manufacturing cost. Superior product quality and a shift to high-tech products have helped Indian component-makers compete better with other low-cost destinations and thus boosted exports. In the auto-component industry, cost is the most critical factor. Low-cost countries focus on lowering manufacturing as well as supply chain costs while maintaining quality

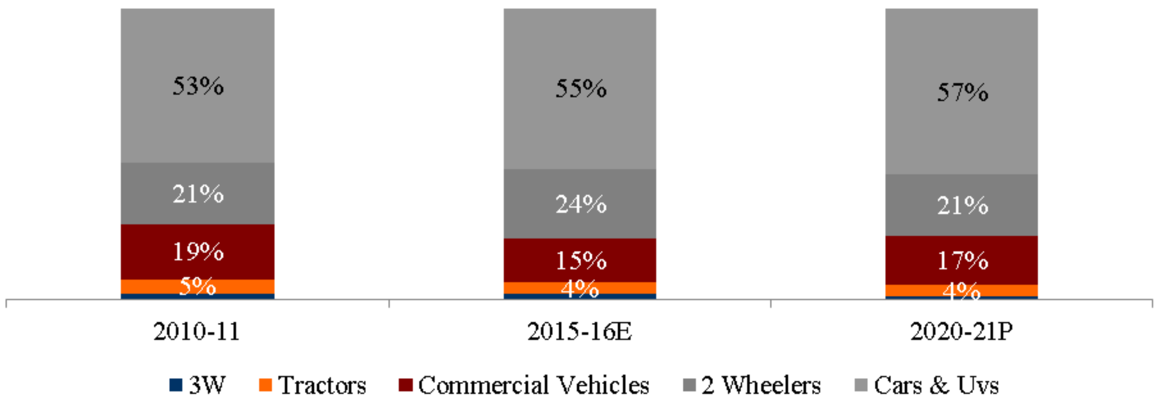
Critical components, such as engine parts, drive transmission and steering, and electricals, are technologically more complex compared to lower margin components, share of Indian players in technologically complex products is expected to increase gradually, as the domestic automotive market increasingly attains global technological intensity levels and component manufacturers continue to acquire greater technological prowess.

Automotive Components Segment-Wise Growth Rate

	FY2015		**FY2016E**		**FY2017P**		**FY16-21**
	Size (INR Bn)	**Growth**	**Size (INR Bn)**	**Growth**	**Size (INR Bn)**	**Growth**	**Growth**
(A) OEM	1,550	*8%*	1,662	*7%*	1,853	*10-13%*	*12-14%*
(B) Replacement	403	*8%*	435	*8%*	474	*8-10%*	*8-10%*
(C) Exports	420	*5%*	445	*6%*	457	*1-4%*	*10-12%*
Domestic Production							
(A+B+C)	**2,373**	***7%***	**2,542**	***7%***	**2,784**	***8-10%***	
(D) Imports	671	*2%*	727	*8%*	770	*5-7%*	*9-11%*
Domestic Comsumption							
(A+B+D)	**2,624**	***6%***	**2,824**	***8%***	**3,097**	***9-11%***	

Source: CRISIL Database – Auto Component

IV. Segment-wise OEM off-take of automotive components

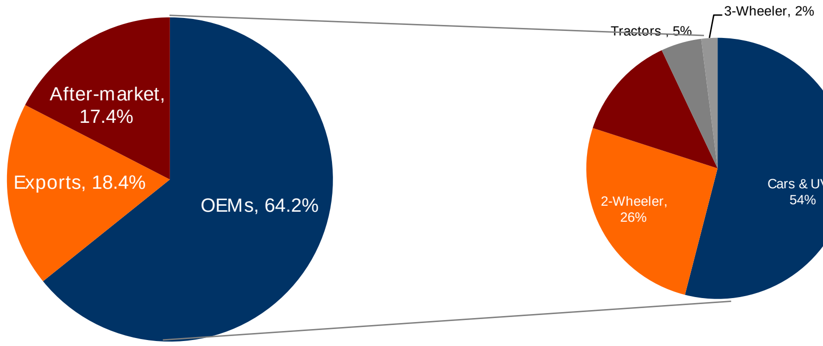


Source: CRISIL Database – Auto Component

V. Carmakers Largest Consumers of Automotive Components

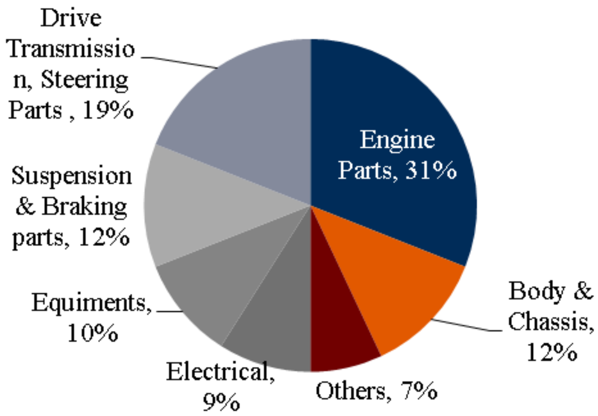
Production of automotive components depends on consumption by different end-user segments: OEM, exports and the replacement market. OEM demand can be further segregated based on various vehicle segments.

In 2014-15, CRISIL Research projects OEMs to account for nearly two-thirds of the total automotive component consumption. Among OEMs, cars and utility vehicle manufacturers remain the largest consumers.



(Source: CRISIL Database – Auto Component)

VI. Segment-Wise Production Break-Up



(Source: CRISIL Database – Auto Component)

BUSINESS

Overview

Motherson Sumi Systems Limited ("**MSSL**") is the flagship company of Samvardhana Motherson Group ("**SMG**"). SMG is one of the leading suppliers to the global automotive industry. Established in 1975, SMG is a full systems solution provider with a diversified, industry-leading portfolio of auto ancillary products and services that focus principally on the automotive industry in India and outside of India. SMG recorded a gross revenue of U.S.$7.2 billion during Financial Year 2016.

As one of the globally-preferred partners by customers, SMG has a well-balanced customer base spread across five continents with more than 180 facilities and a global network of modern design centers in 25 countries across North America, South America, Europe, South Africa, Middle East, Asia Pacific and Australia.

SMG believes that its core competitive advantage is its ability to manufacture top quality products that cater to customer needs across various industries based on its innovative efforts and dedication to quality and customer service. SMG's diverse portfolio comprises electrical distribution system (wiring harness), rear view mirrors, polymer processing, injection molding tools, elastomer processing modules and systems, including cock pits and instrument panels, door trims, bumpers, lighting systems, air intake manifolds, pedal assemblies, heating, ventilation and air conditioning systems ("**HVAC systems**"), machined metal products, IT services, engineering and design, computer-aided engineering ("**CAD**") services, cabins for off-highway vehicles, environment management systems (waste recycling technology), cutting tools and thin film coating metals. Through joint venture agreements, SMG also has invested in technologies that provide manufacturing support, including compressors, paint coating equipment, auxiliary equipment for injection molding machines and automotive manufacturing engineering services.

MSSL was formed in 1986 as a joint venture between SMG and Sumitomo Wiring Systems ("**SWS"**). SWS, which is a wholly-owned subsidiary of Sumitomo Electric Industries Japan, is one of the leading suppliers of wiring harness, components and wires globally. Since its inception, we have evolved into a full systems solutions provider and cater to a diverse range of customers in automotive and other industries across the world, including non-automotive industry and consumer durables such as high-precision machine metal components and assemblies. Our diverse business portfolio comprises wiring harnesses, passenger car mirrors, polymers and elastomers in addition to our other products/business portfolio that includes plastic components and modules such as cockpits, bumpers and interior trim polymer, interior and exterior polymer modules, polymer components and tool manufacturing, elastomer processing and precision metal machining services.

Our core focus is customer service. We service our global customers by having our facilities in proximity to our customers in the region to supply our products and services. From our facilities, we provide our wide range of services including design, development, prototyping and validation across the entire development phase for the OEMs. As of the date of this Placement Document, we had presence in 25 countries from over 136 manufacturing facilities, supported by technical centers, sales offices, research and development centers across the world. We operate in some of the key foreign markets such as Germany, Spain, Hungary, the U.S., Mexico and Korea.

As of June 30, 2016, we have worked with 14 of the top 15 global OEMs (ranking by production volume according to LMC Automotive). In addition, we believe we currently hold one of the leading market shares in our key product segments namely rear view mirrors, instrument panels and door panels in our key geographies namely Europe, Americas and Asia Pacific, particularly in the premium segment (which includes brands such as Audi, BMW, Daimler, Lamborghini, Seat, Aston Martin and others), on which we are especially focused. Certain awards and recognitions that we have received include "Best Performance Award" in 2015 by Daimler, "Global Partner for Daimler" at the Daimler Supplier Award 2014, Toyota Regional Contribution Award, 2014, Volkswagen Group Supplier Award 2015, Ford South America Supplier of the Year Award in 2014, and recognized for its overall excellence, design and development, safety, respectively, from Maruti Suzuki in Financial Year 2015-2016. We were also selected as Volkswagen's "Future Automotive Supply Tracks (FAST)" program partner, which is Volkswagen's strategic partner program initiative that seeks to strengthen its relationship with its suppliers.

We operate our business through four key divisions:

<u>Wiring harness division</u>

Our wiring harness division is one of the market leaders in wiring harnesses for the passenger car segment in India and for the commercial and construction vehicle segment in India and abroad. We provide complete solutions-based services and products, from designs of basic vehicle schemes, development, prototyping, validation and manufacturing of wiring harnesses for passenger cars, commercial vehicles, two and three-wheelers, multi-utility vehicles, farm and material-handling equipment and off-road vehicles. We also manufacture specialized wiring harnesses for large electronic merchandises (white goods), office automation equipment, medical diagnostic equipment and other electrical equipment. Our wiring harness facilities are present across India, Mexico, Sri Lanka, UAE, Thailand, the U.S., the U.K., Japan, Italy, Germany and Korea. We also have a backward integration for manufacturing copper wires that are used to manufacture wiring harnesses, which enables us to ensure quality and have better control over logistics for timely delivery. For Financial Year 2016, our wiring harness division comprised 16% of our total gross sales of products.

Rearview Mirrors division

Our rearview mirrors division, which we operate through our subsidiary Samvardhana Motherson Reflectec ("**SMR**"), is one of the world's largest manufacturers of mirrors for passenger vehicles and manufacturers a wide range of interior and exterior rear view vision systems and related components including low cost mirrors to highly complex mirrors with various electronic features. Based on the global market assessment for such products which is available from LMC Automotive, we believe that we had a very significant market share of the global market for exterior mirrors and a significant share of the global market for interior rear view mirrors in Financial Year 2016. Based in Stuttgart, Germany, SMR operates 20 manufacturing facilities in 12 countries across Europe, Asia and the Americas. SMR business philosophy is continuous innovation in engineering and design and developing technologically advanced features that also enhance safety, comfort and aesthetics.

Our exterior rear view vision systems product line ranges from basic, manually-adjusted rear view vision systems to high-value rear view vision systems with multiple integrated features, including automatic dimming electro-chromic glass, electric power-folds, heated glass and integrated turn signals. In addition to the development and production of traditional exterior rear view vision systems, SMR also develops, produces and integrates a wide variety of mirrors including interior mirrors, blind spot detection systems, side-turn indicator lamps, assist system lighting systems and telescopic trailer tow mirrors. We believe that SMR's innovative efforts, use of latest technology and worldwide network of experts and production facilities enable SMR to remain one of the leading global suppliers of exterior automotive mirrors. SMR has its headquarters in Germany and has manufacturing facilities in the U.K., the U.S., Mexico, Spain, France, Hungary, China, South Korea, Australia, Brazil, Thailand and India. For Financial Year 2016, our rearview mirrors division comprised 27% of our total gross sales of products.

Polymer and module processing division

Our polymer and module processing division manufactures high-level polymer modules and process and tooling operations for interior and exterior and under bonnet components for various vehicle segments. Our product lines include small components and assemblies to large components such as cockpits and instrument panel modules, door trim modules, center consoles, full body panels and pillar trim, bumper modules and fascia, front end module and carriers. Motherson Automotive Technologies and Engineering ("**MATE**"), a division of our Company, operates our polymer and module processing division in India. In addition, we operate our polymer business through our different subsidiaries in South Africa, Emirate of Sharjah and the Czech Republic.

A majority of our polymer and module processing division is carried out under SMP, which was formed as a result of our acquisition of Peguform in 2011. SMP is currently one of the largest manufacturers of instrument panels, door trims and bumpers in Europe. Our polymer and module processing division is spread across different countries in Europe, Asia Pacific, South Africa and the Americas.

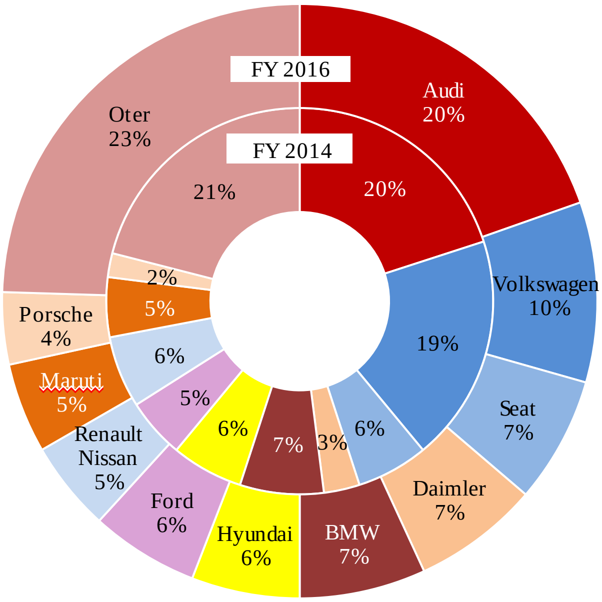
Our polymer and module processing division also produces high precision components, aesthetic and assembled parts, and offers tailored solutions for plastic part requirements of customers. We manufacture products for a number of market segments, providing solutions from cost-optimized molding technologies to high-quality leather surfaces and real stitching on polymer, soft-painted or metalized surfaces. For Financial Year 2016, our polymer and module processing division comprised 55% of our total gross sales of products.

Based on the global market assessment for such products which is available from LMC Automotive, we believe that we had a very significant market share of the global market for door panels and a significant share of the global market for bumpers and instrument panels in Financial Year 2016. Our polymer and module processing division operates through 52 manufacturing facilities across India, the U.S., Hungary, Czech Republic, UAE, South Africa, Brazil, China, Germany, Mexico, Portugal, Slovakia and Spain, as of the date of this Placement Document.

Elastomer processing division

Our elastomer processing division, has several sub-divisions including rubber injection molding (which supplies a wide range of rubber components such as grommets, boots, bellows, gaskets, seals, water strike back valves, damper rings, nozzles), as well as rubber to plastic and rubber to metal bonding products. We believe our elastomer division's strength lies in its strong capabilities in developing rubber compounds for a wide range of applications as well as its non-tire-related rubber mixing plant in Australia. We operate our elastomer processing division through Motherson Automotive Elastomers ("**MAE**") which has two manufacturing units in India (Chennai and Noida) as well as through our wholly-owned subsidiary, Motherson Elastomers Pty Ltd. ("**MEPL**") in Australia. For Financial Year 2016, our elastomer processing division comprised 2% of our total gross sales of products.

As of August 18, 2016, our market capitalization was U.S.$6.6 billion. During the Financial Year ended March 31, 2016, our total revenues from operation (net) were ₹383,952 million and our total revenues (excluding interest income) were ₹386,890 million.



Note: Total revenue from operation in above chart excludes sales of services and other operating revenue of ₹ 3,617 million for Financial Year 2016 and ₹ 700 million for Financial Year 2014.

Recent Developments

Our Company, through one of its step-down Subsidiaries, MSSL Manufacturing Hungary Kft., is proposing to acquire the automotive business unit (comprising certain land, building and machinery) of Ábrahám és Társa Kft., a company incorporated in Hungary. Ábrahám és Társa is engaged in the business of plastic processing and other quality products for car makers across Europe. Through this acquisition, our Company intends to increase its European presence and provide a base for expansion of manufacturing of small to medium sized polymer parts, primarily to support the operations of the upcoming greenfield facility of SMP Group.

Our Strengths

We believe that a number of factors have contributed to, and will continue to drive, our growth, including the following:

1. ***Ability to consolidate its leadership position across product segments***

   We believe that we have leading market positions in each of our main product segments (wiring harness division, rearview mirrors division and polymer and module processing division) across several of the regions and market segments in which we operate. We believe our leading market position is the result of our focus on customers. Our geographical proximity to the customers' operations and ability to scale our operations to their specific requirements enables us to efficiently and effectively address customer needs. We believe we are able to leverage our design expertise, information technology and production capabilities to enhance vertical and technological integration of our global operations. In addition, by ensuring close cooperation across our product divisions/segments, we intend to continue to strengthen our innovation efforts in engineering and product manufacturing, processes and transformation of new technologies into high quality, well-priced products. We believe these factors will enable us to continue to increase our supply of content per vehicle and maintain our position as an integrated full system solutions provider for our major customers, strengthening our relationships and ensuring a continued and growing demand for our services and products.

   For instance, through our subsidiary SMR, we believe we are currently one of the global leaders in the rear view vision systems market, with an extensive product portfolio covering a wide spectrum of vehicle segments. SMR is one of the leading global manufacturers and suppliers of passenger vehicle mirrors for OEMs, including Audi, BMW, Daimler, Fiat, Ford, General Motors, Hyundai, Jaguar Land Rover, Kia, Renault/Nissan, Suzuki, Tata, Toyota, Volvo, and Volkswagen. Additionally, through our SMP division, we believe we are currently one of the market leaders globally across our main product segments namely door panels, instrument panels and bumpers.

   We are one of the few global producers across our main product segments and our leading market positions are supported by significant barriers to entry, including the high degree of product complexity and required systems integration expertise inherent in our product offering, our established strategic relationships with the global OEMs and our extensive global footprint. We also believe that our strong and comprehensive research and development capabilities will continue to support our leading market positions by driving innovation, expanding our product portfolio and enabling us to capitalize on opportunities to capture greater total value content in individual vehicle model programs.

2. ***Global footprint and diversified customer base with strong customer relationships with major automotive OEMs***

   We believe that we are one of the few suppliers in our product segments with a global engineering and manufacturing presence. Our strong geographical diversification and substantial portion of revenue that is generated from our operations in emerging markets (including Asia, Latin America and Eastern Europe) have helped us to capitalize on global growth opportunities while mitigating the impact of any regional demand fluctuations. We have made substantial investments in recent years to expand our global footprint in line with the global shifts in production capacity of our customers, who we believe are becoming increasingly more reliant upon suppliers with global operations. We have global production, engineering, and customer support capabilities, with a presence across six continents including developed and emerging economies through 136 manufacturing facilities.

Our global footprint has also enabled us to strategically locate our facilities within close proximity to the plants of our OEM customers, which enhances our ability to supply our customers in a timely and cost-efficient manner, particularly with respect to the majority of our interior and exterior modules, including door panels, instrument panels and bumpers, which cannot typically be transported efficiently. In addition, consumer demand for vehicle personalization in the premium segment has increased the complexity of our interior and exterior modules, some of which could have hundreds of potential permutations and combinations. To overcome these challenges, we mostly assemble our products in close proximity to the plants of OEM customers, and deliver them on a "just-in-time" and "just-in-sequence" basis directly to our customers' production lines with minimal lead times. As a result, we believe we are able to increase the efficiency of our customers' supply chains and strengthen our status as a preferred supplier. Through our global expansion and business diversification, we believe that we have strategically developed a cost-effective, global procurement network with alternate sourcing options for most of our essential raw material inputs.

We believe we are a trusted partner and a strategic Tier 1 supplier to leading global OEMs and have well-established strategic relationships with several of our customers, including Audi, Volkswagen, SEAT, Porsche, Daimler, BMW, Hyundai, Kia, Maruti Suzuki, Renault-Nissan, Ford, Jaguar Land Rover, General Motors, Volvo and Toyota. We have had long-term collaborative relationships with 14 of the 15 top largest global OEM companies. We provide diverse range of products across customers in various geographies. For example, our top three customers, Audi, Volkswagen and SEAT, contributed 20%, 10% and 7% of our revenue for Financial Year 2016, respectively.

3. ***Consistent value addition through growing historical and acquired businesses***

We believe our ability to support OEMs in every phase of product development process differentiates us from many of our competitors and, given the substantial investment and time that would be required to replicate our global operations, strengthens our status as a preferred partner to the leading OEMs in the automotive industry. As a result of such status, we are regularly able to engage our customers during the early stages of collaborative development projects, which regularly enables us to create value additions by, for example, recommending and incorporating our products into potential designs in advance of our receipt of any formal contract award from our OEM customers. We believe that such collaboration, when combined with our close proximity to our customers, our technological leadership and our demonstrated reliability, has enabled us to maintain a strong track record of repeat orders.

In addition to our consistent value addition through our business, we believe acquisitions of other businesses strengthen our leading position in the global market. For instance, during the Financial Year ended March 31, 2015, our Company acquired three key businesses, namely the (i) acquisition of the wiring harness business of Stoneridge Inc. in order to strengthen our presence in North America, (ii) acquisition of the assets of Scherer & Trier group ("**S&T**") based in Germany, which is a specialist in plastic manufacturing technology, through our subsidiary Samvardhana Motherson Automotive Systems Group B.V. ("**SMRPBV**") for strategic addition of product range of aesthetic products and technologies to compliment our plastics business, and (iii) purchase of the assets of Esslingen, Germany plant of Minda Schenk Plastic Solutions GmbH for the purpose of further strengthening our product portfolio which was in line with customers' request. We will continue to seek acquisition opportunities as a strategic driver to build a leading position in the automotive industry globally. We have built on our successful record of expansion through both organic growth and through acquisitions of complementary businesses with a focus on profitability and value additions. For example, since our acquisition of Visiocorp (now SMR) in 2009 and Peguform (now SMP) in 2011, we have initiated a multipronged series of programs to improve their profitability and performance, which we believe have been successful. We also continue to grow organically with new additional manufacturing plants, such as at Scherling, Germany for production of bumpers, at Bötzingen, Germany for manufacturing of door trims, at Kecskemet, Hungary for production of bumpers and door panels as well as Alabama, the U.S. for production of bumpers, door panels and other exterior parts.

4. ***Strong financial position***

We have shown consistent, stable financial growth in recent years. For the Financial Year ended March 31, 2014, March 31, 2015 and March 31, 2016 and for the three months ended June 30, 2016, our consolidated net profit for period was ₹7,650 million, ₹8,625 million, ₹12,737 million and ₹2,588 million, respectively, and our consolidated revenue from operations (net) was ₹304,279 million,

₹346,731 million, ₹383,952 million and ₹107,144 million, respectively. As of March 31, 2014, March 31, 2015 and March 31, 2016 and as of June 30, 2016, our total assets were ₹153,623 million, ₹175,708 million, ₹207,231 million and ₹228,013 million, respectively. We believe that our financial performance is due principally to (i) continued investments in research and development, (ii) state-of-the-art manufacturing infrastructure with continued capacity expansions to support strong revenue growth, (iii) global geographical footprint with direct presence in all major regulated and semi-regulated markets and with more than 85% of our consolidated revenue generated from international operations, and (iv) a clean track record of regulatory compliance across our manufacturing facilities. In addition, we have a track record of regular dividend payment from Financial Year 1998, and also has a disclosed dividend policy. In 2010, our dividend payout ratio (percentage of earnings paid to shareholders in dividends) on a standalone basis and consolidated basis was 44% and 32%, respectively, and in 2015, our dividend payout ratio on a standalone basis and consolidated basis was 62% and 37%, respectively.

5. ***Prominent research and development capabilities and a track record of innovation***

Our research and development capabilities are a result of a combination of the technological knowledge of our joint venture partners and of those we have internally developed.

Joint venture partnership: We believe that our partners are industry and technology leaders in their respective markets, and their technological capabilities and global reach and presence provide us with significant advantages and benefits across our various businesses. We believe that our strong and long-standing relationship with our joint venture partners has allowed us to gain access to leading technologies from countries in Europe, Japan and Korea. We are able to capitalize on the technologies and leverage our joint venture partners' support combined with our core knowledge and experience in manufacturing and operations, to provide our customers with high quality automotive components products and services. For example, our relationship with SWSL spans over 30 years. Our partnership with Kyungshin Corporation, which began on 21 July 1997 span over 19 Years. We operate a majority of Hyundai Wiring Harness's portfolio in India through our joint venture, Kyungshin Industrial Motherson Private Ltd ("**KIML**"). In addition, we have collaboration with some of the leading global entities and other relevant technology areas. We believe that our ability to cohesively collaborate with our partners enables us to build a reputation for innovation and technical capability.

Organic development: We are committed to technological leadership and the development of innovative and high quality products in order to meet both the growing demands of our customers with regard to product complexity and feature content as well as increasingly stringent environmental goals and regulatory requirements. Many of our products utilize environmentally friendly and lightweight materials and are manufactured using technologies that provide superior safety, comfort and design. Our design and research centers are interconnected and share innovations and technological advancements across our global network, which enables us to efficiently improve our products and deliver value-added solutions on a global scale and in a cost-efficient manner. Our dedication to technological leadership has enabled us to maintain a long track record of introducing innovative products, including certain blind spot detection systems, telescopic trailer tow mirrors, door panels manufactured using innovative lightweight and recyclable natural fiber materials, heated interiors and vision-based sensor technology. Our strong research and development capabilities have historically enabled us to develop a diversified and comprehensive product portfolio across rear view mirrors, door panels, instrument panels, bumpers and other interior and exterior components. When combined with our ability to offer a full range of system solutions resulting from the vertical integration of our operations, including our strong in-house sourcing capabilities, we have historically been able to utilize our product portfolio to increase the content per vehicle that we supply across each of our customers' vehicle platforms.

In 2015, SMG formed "Motherson Innovations", a dedicated group of experts from various departments which aims to develop ground breaking technologies. The objective of Motherson Innovation is to enter new and attractive market segments with innovative products and to provide SMG with a range of cutting edge solutions and high value product offerings. The team consolidates skilled engineers, researchers and business developers of the SMG's subsidiaries to one tightly cooperating organization, thereby creating synergies. Through our subsidiaries, we hold approximately 900 patents. SMG has introduced several high-value solutions, including intelligent electronic mirrors (which has digital image processing built into rear view systems), new generation camera system as well as advanced driver assistance features. Our team members are well-connected to many of the world's leading technology specialists and to the global network of the SMG.

Further, we focus our research and development capabilities on four key areas:

a) Safety: Developing intelligent features to enhance passenger and pedestrian safety, such as integrated sensors, intelligent camera-based object detection solutions, lane departure warning systems and mirror-integrated blind spot warning lights, and mirror replacement camera monitoring systems;

b) Environment: Using environmentally-friendly and recyclable materials and reducing component size and weight to minimize material and fuel consumption, such as through the application of lightweight natural fibers in interior systems;

c) Performance/efficiency: Optimizing usability through smarter design, the use of new materials and the integration of attractive, value-added features such as vehicle occupant interface displays and controls; and

d) Aesthetics: Improving the aesthetic features of passenger cars through the introduction of new styling solutions, such as high gloss finishes and decorative metallized surfaces.

6. ***Experienced board and management team***

We benefit from a strong professional management team. The majority of our team has been with SMG or its legacy businesses for several years, demonstrating a high degree of continuity and commitment in our leadership. Our management team has a demonstrated track record of achieving improved financial results and has solidified the customer relationships of SMR and SMP as well as enhanced their respective local management teams. In addition, we have experienced and stable senior managers at the regional levels with significant experience and understanding of their respective markets and regions. Our strategy is to empower local management, ensuring they have ownership of day-to-day operational decisions while being guided by central principles aligned to the SMG's vision and strategy. We believe that the strength of our management team combined with our decentralized business model enables us to take advantage of strategic market opportunities, to make decisions at the local level quickly and to better serve our customers. As a result of the foregoing, we have been able to successfully achieve operational improvements, increase operating margins and leverage our long-standing relationships with OEMs to drive revenue growth and win new and repeat business.

Our Strategy

Our vision is to be a globally preferred solutions provider in the automotive industry, which we aim to achieve by continuing to pursue the following strategic actions driven by our philosophy that focuses on consistent, outstanding performance, strengthening of customer relationships built on trust and increasing client engagement as well as developing and supplying long-term sustainable value additions and content per vehicle:

1. ***Disciplined global expansion and diversification with customer-centric approach***

We are a customer-focused company. We intend to continue to diversify and grow our global footprint in line with the international expansion of our main OEM customers' production footprints to ensure that we are in close proximity to efficiently provide our services and products, particularly in emerging markets in Asia and the Americas. We believe that these geographies offer both a low cost base and attractive growth potential in the near future and that such growth will enhance the resilience of our business by reducing our dependence on the European automotive market. We also plan to diversify our customer base by increasing engagement with Chinese and Japanese OEMs. In line with this strategy, our capital expenditure has historically been associated with disciplined growth, generally tied to specific client project nominations, such as our recent construction of new facilities in Germany and China, which are linked to orders from certain of our customers. From the Financial Year ended March 31, 2014, until the Financial Year ended March 31, 2016, we have invested ₹ 38,628 million in capital expenditure (cash outflow from purchase of tangible and intangible assets less cash inflow from sale of tangible and intangible assets), a substantial portion of which was growth capital expenditures related to the construction of new plants in Germany, Hungary, China, India, Thailand, the United States, Mexico and Brazil, as well as our recent plant expansions in Germany, Spain, Mexico and France.

In assessing new investment opportunities, we will continue to consider, among other things, whether an investment will result in an attractive internal rate of return. Client requests and recommendations have also been an important factor in majority of our past decisions to acquire other businesses, which we believe demonstrate our clients' trust in our ability to assist their business. We are currently focused on utilizing such expenditures for the expansion of our business in Mexico to cater to the U.S. market, and selected regions in Eastern Europe and China, where we believe that growth in light vehicle production volumes will be strongest in the medium-term.

We believe we have a robust strategy for disciplined global expansion and diversification to become a globally preferred solutions provider in the automotive industry. Our philosophy focuses on consistent outstanding performance, strengthening customer relationships built on trust, pursuing greater client engagement, increasing the content per vehicle that we supply and developing sustainable value creation. Our recent growth has centered on our automotive business, especially in the plastic and mirror segments. With the acquisition of assets of S&T, we also established our presence in the aesthetic plastic components industry. In addition to our presence across Asia, Europe and the Americas, we expanded our presence to North America through the acquisition of the wiring harness business of Stoneridge Inc. in 2014. In line with our core value of focusing on customers' needs, our global expansion and diversification will closely track our customers' footprints.

2. ***Retain and strengthen our technological leadership through continued focus on research and development and innovation, leading to an increasing content per vehicle***

We are focused on retaining and strengthening our technological leadership through the continued development of innovative products, which we believe will enable us to expand our diversified products portfolio and drive increased product orders going forward.

Our track record and reputation has positioned us as a preferred partner for collaborative research and development with leading OEMs. We intend to continue to pursue collaboration opportunities with our existing customers, offering them our full suite of development capabilities and jointly developing innovative solutions to cater to their needs. We also intend to continue to promote the sharing of knowledge and experience among our product development personnel across our different geographies to ensure that our most up-to-date expertise and solutions are available globally. Through our focus on technological leadership and the design and production of innovative products and solutions, we aim to further strengthen our position as the partner of choice in providing innovative and complex products which meet changing consumer needs.

Our new joint ventures, partnerships in India and outside of India as well as acquisitions abroad have presented us with growth and expansion opportunities. Consistent with our approach, we will continue to aim to increase our "content per vehicle" by increasing the number of parts we supply per car and at the same time focusing on higher value-added parts. As technology drives innovations in the automotive industry and vehicles become more complex to support additional features of safety, driver information, entertainment and others, we believe that we will be able to take advantage of resulting increase in demand for both content and value per vehicle in the future. In addition, we believe that our ability to ensure consistent delivery of quality and high customer satisfaction level will drive ours customers to commission us to manufacture new parts in their upcoming projects. Through our acquisitions, addition of new products to the portfolio, thereby offering and cross-selling to new and existing customers, we aspire to take full advantage of the potential for continued growth in our product and service offerings.

3. ***Increase customer penetration and diversification***

We intend to continue to strengthen our existing relationships with OEM customers in India and outside of India, while simultaneously pursuing opportunities to develop new OEM relationships. With respect to our existing customers, we aim to continue to maintain our strong track record of repeat orders as well as expand and strengthen our relationships with these companies as part of our organic growth efforts. We also intend to capitalize on the current trend of OEMs shifting to global platforms and consolidating their supplier bases so that we can capture greater total value content in individual model programs. In order to achieve this, we intend to actively manage our key customer accounts to increase customer interaction, collaborate with our customers in the early stages of product development and help our customers optimize their supply chains by managing their lower tier suppliers.

Furthermore, we intend to continue to leverage SMR's and SMP's complementary OEM relationships to cross-sell our products to existing customers in order to capture a greater total value content in individual model programs. For instance, certain OEMs with no previous ties to SMP have recently solicited bids for interior and exterior modules as a result of their positive experiences and long-standing relationships with SMR.

4. ***Drive further efficiency and continue to improve our cost base and capex efficiency***

We intend to continue to improve the efficiency of our operations and reduce our cost base by taking advantage of our global footprint and economies of scale as well as by targeting savings in our administrative, procurement and production processes. In particular, we are focused on enhancing the vertical integration of our operations by coordinating our manufacturing activities across SMG and through our integrated supply chain, including procurement, inventory management, engineering and design operations. For instance, through the collaboration of SMR and SMP engineering teams, we are able to showcase integrated solutions to our customers, as well as purchase certain raw material inputs, such as resins and paints, on a joint basis in order to achieve cost advantages with key suppliers. Consequentially, we aim to reduce our dependence on third-party suppliers through the utilization of in-house sourcing options for raw materials and key components. For instance, in our rear view vision systems business, we currently source a portion of several key inputs in-house, including mirror glass, actuators and power- folds, which results in an increased proportion of our in-house value-added content in the modules and systems we assemble and deliver to our customers. We intend to continue to focus on the vertical integration of our operations, which we believe will enable us to further streamline our production processes, achieve shorter development and delivery lead times, exercise significant control over key inputs and processes, enhance quality control and increase supply security. We also aim to continue investing in capital expenditures to strengthen our capabilities in India and outside of India, which we believe would lead to a more efficient utilization of our assets and lead to better profitability across our business segments.

5. ***Synergies through horizontal and vertical integration of our business.***

We aim to continue to be present across various levels of the automotive component value chain, providing products and services that range from product design, prototyping to tool manufacturing, assembly and the production of integrated modules. We have been able to harness our synergies through horizontal and vertical integration across our different products and service segments. For example, our wiring harnesses are used in the manufacture of rear view vision systems, enabling SMR to source directly from us, while our wiring harness manufacturing activities are supported by our existing polymer processing and tool manufacturing capabilities. Our wiring harnesses business produces all major components required in-house, ranging from wires to connectors. These synergies extend across various businesses, which we believe enhances our ability to be an integrated full-system solutions provider.

We believe that our synergies reduce our dependence on third party suppliers for a number of products and services, thereby enabling us to streamline the production process and achieve shorter delivery and development lead times resulting in "Just-in-Time" production capabilities. In addition, we are able to coordinate manufacturing activities across our subsidiaries, joint ventures and other consolidated entities through our integrated supply chain, inventory management, engineering and design and information technology functions. We believe that these horizontal and vertical synergies provide us with a significant operational advantage and enable us to achieve economies of scale.

6. ***Pursue strategic acquisitions while maintaining our conservative financial policy***

We have built on our successful record of expansion through both organic growth and through acquisitions of complementary businesses with a focus on profitability and value additions. We have pursued and will continue to consider inorganic growth with the goal of maintaining a conservative financial profile. For example, since our acquisition of SMR in 2009, we have initiated a series of programs to improve its performance. As part of this strategy, we intend to continue to grow our business through selected value-accretive acquisitions to the extent such acquisitions are backed by one or more OEMs. Additionally, we intend to consider acquisitions to gain access to key technologies and potential synergies as well as to expand our customer base and gain opportunities for cross-selling across different segments. Furthermore, when evaluating potential acquisition, we intend to focus on our long-term prospects and our ability to return to our targeted leverage levels following such acquisitions.

Description of our Business

Our business comprises manufacturing and supply of, *inter-alia*, passenger car mirrors, polymers, modules and elastomer.

Our product portfolio

Wiring Harness

A wiring harness is an organized set of wires, terminals and connectors that run throughout the entire vehicle and relay information and electric power; this plays an integral role in connecting various separate components in the vehicle. The manufacturing facilities for production of wiring harness is spread across India, Middle East, Europe, Sri Lanka, Thailand, Japan, and Mexico. The total gross revenue generated from sales of wiring harness in the Financial Year ended March 31, 2016 was ₹ 62,320 million. As of the date of this Placement Document, we had 52 manufacturing facilities for wiring harness.

Rearview Mirrors

A rearview mirror is a mirror attached to the inside of the windshield of a vehicle, allowing the driver to see all objects behind the vehicle. The rear view vision systems product line comprises both exterior and interior mirror systems, which it supplies to all light vehicle segments including luxury, performance and premium, medium and low-cost segments as well as light commercial vehicles. Although they vary in complexity, exterior mirrors generally consist of a plastic housing, a support structure that joins the mirror to the vehicle, a reflective mirror glass and a wire harness. Interior mirror generally consist of a plastic housing, a support structure that joins the mirror to the vehicle and a reflective mirror glass. The manufacturing facilities engaged in the production of rearview mirrors are spread across the U.K., the U.S., Mexico, Spain, France, Hungary, China, South Korea, Australia, Brazil, Thailand and India. The total gross revenue generated from sales of mirrors (including rearview mirrors) in the Financial Year ended March 31, 2016 was ₹ 106,012 million. As of the date of this Placement Document, we had 20 manufacturing facilities for wiring harness.

Polymer Processing

Polymer Processing involves the use of polymers for manufacturing molded parts, assemblies. There are 52 manufacturing facilities for polymer processing spread across the globe. The total gross revenue generated from sales of products of our polymer processing division in the Financial Year ended March 31, 2016 was ₹ 211,648 million.

Elastomer Processing, Metal Working and Others

Our Company provides a wide range of elastomer processing ranging from injection molded rubber parts, bonded parts, rubber compounding, molded liquid silicon parts and extruded rubber components. There are three manufacturing facilities for elastomer processing two located in India and one in Australia. We also specialize in machining of highly precise, cutting tools, and critical metal components. There are three manufacturing facilities which are engaged in metal working and tooling. The total gross revenue generated from sales of products of elastomer processing, metal working and other division in the Financial Year ended March 31, 2016 was ₹ 7,505 million.

Manufacturing Facility

We own most of our production facilities in our core geographies, which we believe allow us to better serve our customers in a timely and cost-effective manner. Each facility that we have built has been built with the strategic aim of optimizing capital investment, manufacturing and freight costs, the procurement of raw materials and the availability of local staff to meet customer needs.

Supply and Sourcing of Raw Materials

Purchases of raw materials and pre-constructed components for the manufacture of our products, plus the associated manufacturing costs, account for a significant portion of our overall expenditure. Our total cost of materials consumed represented 63.0%, 61.7% and 59.8% of our revenues, respectively, for the Financial Years ended March 31, 2014, 2015 and 2016. During the Financial Year ended March 31, 2016, our largest purchases of raw materials and pre-constructed components included resins, copper, mirror glass, connectors and electrical parts. To the extent possible, we seek to source our raw materials and pre-constructed components from in-house sourcing options as well as through other companies within SMG.

Polymer Division: The key raw materials used by us are polypropylenes, polycarbonates, ABS and various grades of nylons and resins. Certain of our materials such as resins (ABS and polypropylene) and die cast metal parts (mainly aluminium and zinc) are subject to fluctuation in commodity prices, which are influenced by, among other factors, changes in global economic conditions, industry cycles and demand-supply dynamics. We have identified certain suppliers as our "preferred" suppliers on the basis of their experience and record of executing previous orders. We evaluate suppliers on a continuous basis to ensure the expected level of performance and usually enter into long term contracts with key suppliers for the majority of commodity sourcing both on a global and regional basis. Although we generally agree on prices of our automotive components with customers in advance, we seek to negotiate adjustment to the prices of our products to account for changes, whether positive or negative, in our own cost structure, so far as they relate to raw material costs. Our customer contracts typically contain provisions relating to raw materials and pricing. For cases of certain specialized components, our customer may agree the pricing with a specified supplier for such components. As a result, we believe we are exposed to a low level of price risk on raw materials as we are typically able to pass through the cost of any price changes to our customers.

Tools and Molds Division: The key raw material used by us is alloy steel.

Mirror Division: The raw materials used by us are glass actuators, power folds, glass, electro-chromatic glass ("**EC glass**"), wiring harnesses, electronics, electrical parts, die casting, plastic parts and resins. Due to the small overall share of metal components in our finished products, the commodity risk of resin and copper is relatively negligible. We believe that a majority of our global commodity raw material exposure is recoverable through indexing agreements included in our customer contracts. Moreover, we believe that the vertical integration of our supply chain based on our in-house capabilities to produce certain key supplies, enables us to conduct effective quality control and provide cost control advantages, enhanced supply stability as well as shorter lead times in development and delivery. All of our suppliers are evaluated on a continuous basis to ensure they meet our expected level of performance.

Wiring Harness Division: The key components used for assembly of wiring harnesses are wires (basic material used for which is copper), connectors and terminals. The company has wire manufacturing facilities in India as well as in Sri Lanka.

We source a majority of our raw materials for our various products from a number of vendors based on our engineering designs. Our vendors are selected by customer nominations as well as based on various criteria such as the quality of materials supplied, duration of our business relationship, delivery reliability, pricing, and response time for orders placed by us. We have a system of inventory management for raw materials which monitors inventory and reorder levels of the key raw materials used by us.

To mitigate the risk of price fluctuation, we have certain pass through arrangements with our customers for copper price fluctuation as well as fluctuations in foreign currency for imports of other components.

Sales and Distribution

We focus on high quality customer interaction in order to identify, create and capitalize on opportunities to develop solutions ahead of our customers. Our sales process usually begins with our product development teams that work closely with our customers to create products and solutions to meet the customer's needs. We focus on strategically aligning ourselves with key customers and creating long-term relationships after completion of the initial sale. Our customers at times request us to closely cooperate and work with their own development teams. As such when requested, our technical, engineers and sales team work on-site at the customer's location, collaborating closely with in-house engineering and design teams to develop customized solutions, which in turn also allows us to maximize our sales opportunities. We believe such arrangements give us the opportunity to embed our products into the customer's expansion and development plans. Our sales and marketing team focuses on developing customer relationships, acquiring new contracts for development and manufacturing, identifying new customers and generating business opportunities.

In the Financial Year ended March 31, 2016, our total revenue from the automotive segment was ₹ 374,064 million, or 97% of our total revenue, compared to total revenues from the automotive segment of ₹ 338,827 million in the Financial Year ended March 31, 2015, or 97% of our total revenue in that year.

In the Financial Year ended March 31, 2016, our total revenue from the non-automotive segment was ₹ 12,345 million, or 3% of total revenue, compared to total revenue from the non-automotive segment of ₹ 11,219 million in the Financial Year ended March 31, 2015, or 3% of our total revenue in that year.

Research and Development

We believe we have state of the art research and development facilities spread across Europe, Asia, North America and Australia to evaluate both process and product capabilities. Our research and development facilities have most recently carried out research and development in the field of power distribution in automobiles with a focus on optimum power distribution with adequate protection measures. Further, many products developed as a result of the research and development carried out by our Company have already been tested by various customers and shall be used in mass production later this year.

We are focused on driving innovation and being the technological leader in both the rear view vision systems and interior and exterior modules segments. We employ a team of engineering and research and development staff across our development centers. OEMs typically decide on the technological components they wish to include in their vehicles three years prior to the start of production of such vehicle. Through such collaboration we aim to satisfy the requirements of our customers as well as integrate ourselves with them, including by positioning our own engineers on site at customer locations with their in-house engineering and design teams. We believe our innovation focused approach has enabled us to become a technological leader with products such as video-based blind spot detection system, side turn indicator lamps, assist system signal lights and telescopic trailer tow mirrors.

In 2015, Motherson Innovations was established, a dedicated group of experts from various departments with an aim to develop ground breaking technologies. "Motherson Innovations" objective is to enter new and attractive market segments with innovative products and to provide the Group with a range of cutting edge solutions and high value product offerings. The team consolidates skilled engineers, researchers and business developers of the Group's subsidiaries to one tightly cooperating organization, thereby creating synergies.

In addition to our internal research and development capacities, we also benefit from our relationship with our joint venture partners, who we believe are industry and technology leaders in their respective markets. Our joint venture partners' technological capabilities and global reach and presence provide us with significant advantages and benefits across our various businesses.

Health, Safety and Environment

Our Company carries out activities with due attention to environment, health and safety. We focus on environmental protection, occupational health and safety and strive for continual improvement in all three parameters. Our activities are subject to applicable laws, rules and regulations relating to environmental, health and safety measures in India and other countries in which have subsidiaries or joint ventures.

Our initiatives to improve workplace employee safety, *inter alia*, include:

1. safety trainings and workshop for all our employees regularly and at an ongoing basis;

2. 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 ISO14001 certification;

3. observing a safety week every year to create safety awareness among employees as well as external contractors;

4. providing education and helpful tips for fire safety and individual safe work practices;

5. carrying out safety audits at regular intervals in all the units;

6. providing training module to every new employee which gives insight into safety norms to be followed; and

7. implementing various health programs to provide employees with safe work procedures and trainings.

We are committed to the environment and some steps taken by us in this regard, *inter alia*, are:

1. conducting various conservation drives, such as reducing paper wastage and using the best pollution control equipment;

2. creation of a special team called the 'green team' to take green initiatives such as using environmental friendly products;

3. building a tree plantation movement in our units with an objective of promoting a green and pollution free environment;

4. development of Aerobin by one of our subsidiaries, Global Environment Management ("**GEM**"), that allows households to recycle organic waste at home; and

5. developing lightweight products which reduces fuel consumption and resultant emissions by our polymer and mirror divisions.

We are 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 every day functioning.

Insurance policies

We maintain insurance policies on our production facilities, buildings, machinery and inventories, business interruption and damage due to fire, earthquakes, floods and other natural disasters, as well as primary and excess combined liability, personal accident coverage and product liability coverage. In addition, we also maintain insurance policies covering director's and officer's liability, employer liability, general liability and policies that provide coverage for risks during the shipment of products. We are not insured against consequential damages, environmental damages, terrorist acts and war related events. In addition, where we negotiate contracts, we generally do not accept liability for product recalls in the context of our customer contracts. Consequently, we do not elect to purchase insurance against product recall risk. See "*Risk Factors—Risks Relating to Our Business—Our business exposes us to potential liabilities that may not be covered by insurance*."

We believe that our insurance coverage is in accordance with industry custom, including the terms of and the coverage provided by such insurance. Our policies are subject to standard limitations and, in the case of business interruption insurance, among other things, limitations apply with respect to the length of the interruption covered and the maximum amount that can be claimed. Therefore, insurance might not necessarily cover all losses incurred by us and we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies.

Intellectual property

Our proprietary know-how and other intellectual property acquired through our many years of experience is a key asset. We do not believe we hold any single intellectual property that is material to our operations as a whole, but, instead, believe that it is the combination of our patents, trademarks, trade secrets and know-how (i.e. our intellectual property as a whole) that creates an advantage for the business. We seek to protect our intellectual property through various means. Our know-how, other information and intellectual property is also protected by trade secrets and through non-disclosure agreements with employees. We therefore rely on these confidentiality obligations not being breached for the continued protection of such information. In addition, we have a number of proprietary products with registered designs and trademarks. See "*Risk Factors — Risks Relating to Our Business — The success of our newly designed products and other innovations depends in part on our ability to obtain, protect and preserve intellectual property rights to our designs and we cannot assure you that we will develop sufficient new revenue streams to replace revenue streams that may diminish as our current intellectual property rights expire*".

Patents

As of March 31, 2016, SMR held 674 patents (granted/active and registered/active), 146 (filed/active) are pending patents and 17 registered utility models while SMP held 285 patents, 41 pending patents and 28 registered utility models.

Licenses

We have entered into a number of technical collaboration agreements that provide us access to third part intellectual property rights which are useful in our businesses.

Operations

Our Company conducts its operations from over 136 manufacturing facilities, supported by technical centers located worldwide.

Capital Expenditure

During the Financial Year ended March 31, 2017, we have planned capital expenditure primarily for the following activities:

1. To fund its expansion projects in progress which, *inter alia*, include:

    a) SMP facility in Alabama (Tuscaloosa), the U.S.;

    b) SMP facility in Kecskemét, Hungary ; and

2. Further construction of plants and expansion in progress in the USA, Mexico, India, Hungary, Spain and France.

In the Financial Year ended March 31, 2016, Company incurred capital expenditure (cash outflow from purchase of tangible and intangible assets less cash inflow from sale of tangible and intangible assets) of ₹ 20, 236 million on account of capital expenditures at a consolidated level. The major portion of this expenditure has been financed from internal sources. Our Company allocated significant funds during the past years to support our customers in Germany, USA, China, Thailand, South Africa, Mexico, India, Hungary and France.

Customers

Our Company has a presence in 25 countries across North America, South America, Europe, South Africa, Middle East and Asia. Our Company's sales to customers in India grew by 9% on a consolidated basis and 6% on a standalone basis in the Financial Year ended March 31, 2016. Our customers, *inter alia*, include Audi, Volkswagen, Fiat, Daimler, BMW, Hyundai, Ford, Renault Nissan, Maruti Suzuki and Porsche. For the Financial Year ended March 31, 2016, our largest single-brand customer, Audi, represented 20% of our revenue, while our five largest customers in the aggregate represented 51% of our revenue. We believe that we have stable relationships with our key customer accounts, and we expect to continue to depend on sales to our largest customers, many of which are major automotive OEMs. See "*Risk Factors—Risk Relating to Our Business—We depend upon sales to a small number of customers, and the loss of or reduction in sales to any of our major customers would have a material adverse effect on us.*"

Competition

Our Company has evolved into a full system solutions provider and caters to a diverse range of customers in the automotive and non-automotive segments across Asia, Europe, the Americas, Australia and Africa. Our 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. While there are multiple global competitors in the automotive industry, our Company has strong OEM relationships, core expertise in all aspect of design, research, engineering and development and global proximity to customer facilities which provides us with competitive advantage over the competitors. We also believe that there are a number of significant barriers to entry into the market, including the fact that it is an extremely capital-intensive business and a regulated industry, requiring the procurement of various licences in order to operate.

Employees

Our employees contribute significantly to our business operations. Our Company strives to involve employees as partners in progress. Our Company regularly conducts training sessions and workshops for its employees from top to bottom to keep its employees well versed in their respective fields. Our Company believes in all-round development of an individual, therefore, there are regular synergy activities which are organized at each unit after regular intervals to promote widespread involvement of our employees.

Properties

Our Company's registered office is located at Unit 705, C Wing, ONE BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400051, Maharashtra, India.

As of the date of this Placement Document, our Company had 65 manufacturing plants and two other offices in India. Further, our Company had a total of 136 manufacturing units and 16 other facilities located in India and abroad. In India, our plants are located at Noida (Uttar Pradesh), Haldwani (Uttrakhand), Lucknow (Uttar Pradesh), Faridabad (Haryana), Gurgaon (Haryana), Manesar (Haryana), Pune (Maharashtra), Kandla (Gujarat), Sanand (Gujarat), Pathredi (Rajasthan), Tapukara (Rajasthan), Bengaluru (Karnataka), Chennai (Tamil Nadu) and Puducherry.

In addition to the above, our Company has also taken on lease certain premises, out of which nine are leased from the New Okhla Industrial Development Authority ("**NOIDA**"). Brief terms of the lease agreements with NOIDA are provided below:

Lease date	Description of property/area	Terms and consent clause
Lease Deed dated August 1, 1986	Shed No. 90, Plot D, Sector VI – D, Ghaziabad	The lease of the premises is from August 1, 1986 for a period of 99 years. Additionally, as per the terms of the lease, our Company is not permitted to make or attempt to make any alterations, whatsoever in the provisions of its Memorandum and Articles of Association or its capital structure without the written consent of NOIDA. In the event of any breach of the lease agreement, NOIDA may terminate the lease agreement
Lease Deed dated August 29, 1985.	Plot No. 61, Block A Sector- 61 6, Noida.	The lease of the premises is from August 29, 1985 for a period of 99 years. Additionally, as per the terms of the lease, our Company is not permitted to make or attempt to make any alterations, whatsoever in the provisions of its Memorandum and Articles of Association or its capital structure without the written consent of NOIDA. In the event of any breach of the lease agreement, NOIDA may terminate the lease agreement
Lease Deed dated March 31, 1994.	Plot No. 1, Block No C, Sector VI, Phase I, Noida, Ghaziabad.	The lease of the premises is from March 31, 1994 for a period of 90 years. Additionally, as per the terms of the lease, our Company is not permitted to make or attempt to make any alterations, whatsoever in the provisions of its Memorandum and Articles of Association or its capital structure without the written consent of NOIDA. In the event of any breach of the lease agreement, NOIDA may terminate the lease agreement
Lease Deed dated February 26, 2008	Industrial plot no. A-3, Sector-84, Phase II, Noida	The lease of the premises is from December 17, 2007 for a period of 90 years. Additionally, as per the terms of the lease, our Company is not permitted to make or attempt to make any alterations, whatsoever in the provisions of its Memorandum and Articles of Association or its capital structure without the written consent of NOIDA. In the event of any breach of the lease agreement, NOIDA may terminate the lease agreement
Lease Deed dated February 26, 2008	Industrial plot no. A-4, Sector-84, Phase II, Noida	The lease of the premises is from December 17, 2007 for a period of 90 years. Additionally, as per the terms of the lease, our Company is not permitted to make or attempt to make any alterations, whatsoever in the provisions of its Memorandum and Articles of Association or its capital structure without the written consent of NOIDA. In the event of any breach of the lease agreement, NOIDA may terminate the lease agreement
Lease Deed	Industrial plot nos. 3 & 4, Block B,	The lease of the premises is from February 05, 2014 for a period of

Lease date	Description of property/area	Terms and consent clause
dated 27 June 2014	Sector 85, Phase II, Noida	90 years. Additionally, as per the terms of the lease, our Company is not permitted to make or attempt to make any alterations, whatsoever in the provisions of its Memorandum and Articles of Association or its capital structure without the written consent of NOIDA. In the event of any breach of the lease agreement, NOIDA may terminate the lease agreement
Lease Deed dated May 31, 1995	Industrial plot no. 1A, 1B-4A, 14B, Block No. C, Sector No. I Phase I, Noida.	The lease of the premises is from March 31, 1995 for a period of 90 years. Additionally, as per the terms of the lease, our Company is not permitted to make or attempt to make any alterations, whatsoever in the provisions of its Memorandum and Articles of Association or its capital structure without the written consent of NOIDA. In the event of any breach of the lease agreement, NOIDA may terminate the lease agreement
Lease Deed Dated November 23, 1994	Industrial plot no A-31, 32 and 33, Block No. A, Sector 60, Phase III, Noida.	The lease of the premises is from August 16, 1994 for a period of 90 years. Additionally, as per the terms of the lease, our Company is not permitted to make or attempt to make any alterations, whatsoever in the provisions of its Memorandum and Articles of Association or its capital structure without the written consent of NOIDA. In the event of any breach of the lease agreement, NOIDA may terminate the lease agreement
Lease Deed Dated January 10, 2001	Plot No, 8 and 9, Block No. A, Sector 64, Phase III, Noida	The lease of the premises is from March 16, 2000 for a period of 90 years. Additionally, as per the terms of the lease, our Company is not permitted to make or attempt to make any alterations, whatsoever in the provisions of its Memorandum and Articles of Association or its capital structure without the written consent of NOIDA. In the event of any breach of the lease agreement, NOIDA may terminate the lease agreement

REGULATION AND POLICIES

The following description is a summary of the important laws, regulations and policies that are applicable to our business. The information detailed below has been obtained from the various legislations, including rules and regulations promulgated by regulatory bodies, and the bye-laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of Indian law and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

In addition to the regulations and policies already specified in this Placement Document, taxation statutes such as the Income Tax Act, 1961, Central Excise Act, 1944, Central Sales Tax Act, 1956 and applicable local sales tax statutes, various labour laws, environmental laws and other miscellaneous laws apply to us as they do to any other Indian company.

The Competition Act, 2002

The Competition Act, 2002 ("**Competition Act**") establishes a body called the Competition Commission of India, to prevent practices having an adverse effect on competition. Agreements which cause or are likely to cause an appreciable adverse effect on competition are prohibited under the Competition Act. Combinations such as mergers, acquisitions and amalgamations which cause an appreciable adverse effect on competition are also prohibited by the Competition Act. Agreements in violation of the provisions of the Competition Act are void and attract both civil and criminal liabilities.

The Automotive Mission Plan, 2006-2016

The Automotive Mission Plan, 2006-2016 ("**Automotive Plan**") was released by the Ministry of Heavy Industries and Public Enterprises, Government of India as a roadmap for the future development of the industry. The Automotive Plan contains detailed interventions for attracting investment, developing infrastructure, expanding domestic demand, encouraging export and supporting research and development, amongst others. It also recommends the creation of special auto-component parks for promoting exports in the auto components sector.

The Water (Prevention and Control of Pollution) Act, 1974

The Water (Prevention and Control of Pollution) Act, 1974 ("**Water Act**") constitutes the Central and State Pollution Control Boards for the performance of various functions relating to prevention and control of water pollution. Prior consent of the State Board is required before the establishment of a new operation which is likely to discharge sewage or trade effluent into a stream, well, sewer or on land. The Water Act prohibits the use of a stream or well for the disposal of any polluting matter. The State Boards have the power of entry and inspection and to take samples of effluents passing from any plant into any stream or well for the purposes of determining such violation. Contravention of the provisions of the Water Act may lead to imprisonment of up to six years and fine.

The Water (Prevention and Control of Pollution) Cess Act, 1977

The Water (Prevention and Control of Pollution) Cess Act, 1977 ("**Cess Act**") imposes a cess to be utilized for the purposes of the Water Act. The cess is payable by every specified industry and every local authority on the basis of the quantity of water consumed and at the rate prescribed. The Cess Act also lays down the procedure for assessment of cess and filing of returns. Failure to pay the cess may lead to imposition of penalty not exceeding the amount of the cess and interest at the rate of two per cent per month. Filing of false returns may also attract imprisonment of up to six months or fine up to one thousand rupees or both.

The Air (Prevention and Control of Pollution) Act, 1981

The Air (Prevention and Control of Pollution) Act, 1981 ("**Air Act**") extends the powers of the Central and State Pollution Control Boards under the Water Act to the prevention and control of air pollution. The State Board lays down standards for emission of air pollutants into the atmosphere to which all industrial plants are required to comply with. The State Government in consultation with the State Board is empowered to declare any areas within the state as a pollution control area. Prior consent of the State Board is required for operating any industrial plant in an air pollution control area. Contravention of the provisions of the Air Act may attract imprisonment of up to six years and fine.

The Environment Protection Act, 1986

The Environment Protection Act, 1986 ("**Environment Act**") gives wide powers to the Central Government to take all measures it deems fit for the purpose of protecting and improving the environment. This includes laying down of standards for the quality of environment, co-ordination of actions of the State Governments and pollution control authorities, inspection of any premises & plants for preventing environmental pollution and others. Contravention of directions issued under the Environment Act is punishable with imprisonment of up to seven years and fine.

The Hazardous Wastes (Management and Handling) Rules, 1989

The Hazardous Wastes (Management and Handling) Rules, 1989 ("**Hazardous Wastes Rules**") imposes responsibility on the person generating hazardous wastes to ensure proper handling and disposal. The Hazardous Wastes Rules require hazardous wastes to be collected, treated, stored and disposed of only in facilities authorized by the State Pollution Control Board.

The Research and Development Cess Act, 1986

The Research and Development Cess Act, 1986 ("**R&D Act**") imposes a cess on all payments made for the import of technology, in order to incentivize the commercial application of indigenously developed technology. The rate of cess is to be notified from time to time by the Central Government, but cannot exceed five per cent. Nonpayment of the cess may attract a penalty of up to ten times the amount in arrears.

Intellectual Property Rights

In India, patents, trade marks and copyrights enjoy protection under both statutory and under common law. The key legislations governing intellectual property in India and which are applicable to our Company are the Patents Act, 1970, Copyright Act, 1957 and the Trade Marks Act, 1999. India is also a party to several international agreements for the protection of intellectual property rights.

The Patents Act, 1970

The Patents Act, 1970 ("**Patents Act**"), initially allowed only process patents and not product patents and prescribed shorter protection periods and excluded certain areas such as agriculture from its scope of patentability. However, the Patents Act was amended *vide* the Patents (Amendment) Ordinance, 2004 and the Patents (Amendment) Act, 2005 in order to comply with the obligations undertaken by the Government of India pursuant to World Trade Organisation Trade Related Aspects of Intellectual Property Agreement. These amendments introduced the concept of product patents with a protection period of twenty years. Through these amendments, product patents as well as process patents are now permitted, and are now extended to agro-chemicals, food, and biotechnology products including genetically modified organisms, apart from drugs and pharmaceuticals.

Trade Marks Act, 1999

The Trade Marks Act, 1999 ("**Trademark Act**") provides for the statutory protection of trade marks and for the prevention of the use of fraudulent marks in India. Certification marks and collective marks can also be registered under the Trademark Act. An application for trade mark registration may be made by any person claiming to be the proprietor of a trade mark used or proposed to be used by him, who is desirous of registering it.

An application for a trade mark registration may be made for in one or more classes. Once granted, trade mark registration is valid for ten years unless cancelled. If not renewed after ten years, the Registrar of Trade marks may remove the trade mark from the register unless an application for renewal has been submitted in the prescribed manner and the prescribed fee is paid within six months from the expiry of the last registration of the trade mark. The Trade Marks (Amendment) Act, 2010 has been enacted by the GoI to amend the Trademark Act to enable Indian nationals as well as foreign nationals to secure simultaneous protection of trade mark in other countries, and to empower the Registrar of Trade Marks to do so. It also seeks to simplify the law relating to transfer of ownership of trade marks by assignment or transmission and to bring the law generally in line with international practice.

Any person who infringes a registered trade mark by way of, amongst others, falsifying any trade mark, selling goods or providing services to which a false trade mark or false trade description is applied, or falsely represents a trade mark as registered, is liable to, amongst others, imprisonment for the prescribed term and to pay the prescribed amount of fine as specified under the Trademark Act.

In addition, the Trade Mark Rules, 2002 were brought in to lay down procedures and processes involved in registration, application, certification, renewal etc. The Trade Mark (Amendment) Rules, 2014 have increased the prescribed fees for registrations and certain applications.

Labour Laws

Depending on the nature of work and number of workers employed at any workplace, various labour related legislations may apply to us. The following is an indicative list of labour laws applicable to our operations:

The Factories Act, 1948

The Factories Act, 1948 ("**Factories Act**") provides for the health, safety and welfare of all workers while at work in the factory, including adequate maintenance of plant, systems and other places of work, and provision of adequate information, training and supervision. The Factories Act also provides for the approval, licensing and registration of factories by the respective State Governments. Contravention of the provisions of the Factories Act may attract imprisonment of up to ten years, along with fine.

The Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1971 ("**Gratuity Act**") provides for payment of gratuity to employees who have been in continuous service for a period of five years upon their resignation, retirement, superannuation, death or disablement due to accident or disease. The maximum gratuity payable under the Gratuity Act is one million rupees.

The Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 ("**Bonus Act**") requires the payment of bonus to an employee who has worked for at least 30 working days in a year. The minimum bonus payable under the Bonus Act is hundred rupees or 8.33 per cent of the annual salary, whichever is higher. Contravention of the Bonus Act is punishable by imprisonment up to six months or a fine up to one thousand rupees, or both.

The Employees' State Insurance Act, 1948

The Employees' State Insurance Act, 1948 ("**ESI Act**") provides for setting up of the Employees' State Insurance Corporation to hold and administer the Employees' State Insurance Fund. The purpose of the ESI Act is to provide benefits to employees in case of sickness, maternity and employment injury. Contributions to the Employees' State Insurance Fund are to be made both by the employer and employees. The ESI Act applies to all factories carrying on a manufacturing process and employing ten or more workers.

The Maternity Benefit Act, 1961

The Maternity Benefit Act, 1961 ("**MB Act**") regulates the employment of women for certain periods before and after childbirth and also provides for maternity and other benefits to pregnant women. The maternity benefit under the MB Act is to be paid at the rate of the average daily wage for the period of her absence immediately before the delivery and six-weeks after that day. Contravention of the MB Act is punishable by imprisonment up to one year and/or a fine up to five thousand rupees. Further, the Maternity Benefit (Amendment) Bill, 2016 was recently passed by the Rajya Sabha to amend certain provisions of the MB Act.

The key amendments *inter alia* include an increase in the duration of paid maternity leave and a work from home option thereafter. Further, there will be an obligation on employers with 50 or more employees to provide crèche facilities to women.

The Minimum Wages Act, 1948

The Minimum Wages Act, 1948 ("**MW Act**") requires the Central or the State Government to lay down minimum rates of wages for employees employed in certain employments. Contravention of the MW Act may result in imprisonment of up to six months or a fine of up to five hundred rupees, or both.

The Employees' Compensation Act, 1923

The Employees' Compensation Act, 1923 ("**Compensation Act**"), formerly Workmen's Compensation Act, 1923 imposes liability on an employer to pay compensation in case of personal injury caused to an employee in the course of his employment. The liability of the employer does not arise when the injury leads to total or partial disablement of the employee for three or less number of days, or when the injury is directly attributable to the employee being under the influence of alcohol or drugs.

The Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970 ("CLRA") provides for welfare and health of contract labourers. Under the CLRA, the principal employer has to be registered with the appropriate authority and the contractor has to get licensed by the licensing officer. The contractors are required to provide facilities such as canteens, rest-rooms, first-aid amongst others. In case of failure of the contractor in providing such facilities, the CLRA shifts the obligation upon the principal employer within a prescribed time period. Contravention of the provisions of the CLRA may result in imprisonment of up to three months or a fine of up to one thousand rupees.

Shops and Establishments Legislations

Individual states in India have their respective Shops and Establishments Legislations which require registration of establishments with the authority prescribed. These legislations also regulate the opening and closing hours of shops, prescribe minimum rest intervals for employees, grants of holidays and prescribe other conditions, including those relating to health and safety of workers.

Foreign direct investment

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999 ("**FEMA**") and the rules and regulations promulgated thereunder. The RBI, in exercise of its powers under FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("**FEMA 20**") pursuant to which, no prior consent or approval is required from the RBI for foreign direct investment under the "automatic route" within the specified sectoral caps prescribed for various industrial sectors. In respect of all industries not specified under the automatic route, and in respect of investments in excess of the specified sectoral limits under the automatic route, approval for such investment shall be required from the FIPB and/or the RBI. 100% foreign direct investment is permitted in manufacturing sector, under the automatic route.

Overseas Direct Investment

An Indian entity is allowed to make Overseas Direct Investment ("**ODI**") under the automatic route up to limits prescribed by the RBI, which currently should not exceed 400% of its net worth. ODI can be made by investing in either joint ventures or wholly owned subsidiaries outside India. Any financial commitment exceeding USD one billion (or its equivalent) in a financial year would require prior approval of the RBI.

Other Jurisdictions

Our Company operates in 25 countries, directly and through our Subsidiaries and joint ventures. The relevant laws in these jurisdictions are applicable to our Company and our Subsidiaries, which relate to incorporation or registration as applicable, labour, immigration, intellectual property, data protection, taxation, and other business related laws.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

Our Board presently consists of 10 directors and as per the Articles of Association, our Company shall have not more than 11 Directors unless otherwise altered by our Company in a general meeting.

Pursuant to the provisions of the Companies Act, 2013, at least two-thirds of the total number of Directors, excluding the independent Directors, are liable to retire by rotation, with one-third of such number retiring at each AGM. A retiring Director is eligible for re-election. Further, an independent Director may be appointed for a maximum of two consecutive terms of up to five consecutive years each. Any reappointment of independent Directors shall, inter alia, be on the basis of the performance evaluation report and approved by the shareholders by way of special resolution.

The following table sets forth details regarding our Board of Directors as of the date of this Placement Document:

Sr. No.	Name, Address, Occupation, DIN, Term and Nationality	Age	Designation
1.	**Mr. Vivek Chaand Sehgal** **Address**: 22, Gwin Gana Crescent, Glen Waverly, Victoria 3150, Australia **Occupation**: Business **DIN**: 00291126 **Term**: Not liable to retire by rotation **Nationality**: Australian	59	Chairman and Non-executive director
2.	**Mr. Laksh Vaaman Sehgal** **Address**: B-300, New Friends Colony, New Delhi 110 065, India **Occupation**: Business **DIN**: 00048584 **Term**: Liable to retire by rotation **Nationality**: Australian	33	Non-executive director
3.	**Mr. Toshimi Shirakawa** **Address**: 709-15 Ohazanishikata Kuwanashi MIE Prefecture 5110864, Japan **Occupation**: Service **DIN**: 00310164 **Term**: Liable to retire by rotation **Nationality**: Japanese	61	Non-executive Director
4.	**Ms. Noriyo Nakamura** **Address**: 86, Sukhdev Vihar, Mathura Road, Delhi 110025, India **Occupation**: Service	43	Non-executive Director

Sr. No.	Name, Address, Occupation, DIN, Term and Nationality	Age	Designation
	DIN: 06809512 **Term**: Liable to retire by rotation **Nationality**: Japanese		
5.	**Mr. Pankaj Mital** **Address**: C-9, Sector – 50, Noida, Uttar Pradesh 201301, India **Occupation**: Service **DIN**: 00194931 **Term**: Three years from April 1, 2014 **Nationality**: Indian	49	Whole-time Director and Chief Operating Officer
6.	**Mr. Sushil Chandra Tripathi** **Address**: No. 27, Sector 15-A, Noida, Gautam Budh Nagar, Uttar Pradesh 201301, India **Occupation**: Administration **DIN**: 00941922 **Term**: Five years from August 25, 2014 **Nationality**: Indian	70	Non-Executive and Independent Director
7.	**Mr. Arjun Puri** **Address**: Eco House, Certitude Auroville Villipuram, Tamil Nadu 605101, India **Occupation**: Professional **DIN**: 00211590 **Term**: Five years from August 25, 2014 **Nationality**: Indian	60	Non-Executive and Independent Director
8.	**Mr. Gautam Mukherjee** **Address:** P-62, Sector XI, Noida, Gautam Budh Nagar, Uttar Pradesh 201301, India **Occupation:** Professional **DIN:** 02590120 **Term:** Five years from August 25, 2014 **Nationality:** Indian	59	Non-Executive and Independent Director
9.	**Ms. Geeta Mathur** **Address:** B-1/8, Vasant Vihar, New Delhi 110057, India **Occupation:** Professional	49	Non-Executive and Independent Director

Sr. No.	Name, Address, Occupation, DIN, Term and Nationality	Age	Designation
	DIN: 02139552 **Term:** Five years from August 25, 2014 **Nationality:** Indian		
10.	**Mr. Naveen Ganzu** **Address:** No. 17B, Binny Crescent, No. 16, Benson Cross Road Benson Town Bangalore, Karnataka – 560046, India **Occupation:** Professional **DIN:** 00094595 **Term:** Five years from October 14, 2015 **Nationality:** Indian	54	Non-Executive and Independent Director

Biographies of the Directors

Mr. Vivek Chaand Sehgal, established the Samvardhana Motherson Group in 1975 and has been associated with our Company since its incorporation. Currently, he is the Chairman and Non-Executive Director of our Company. He is instrumental in the overall functioning and operation of the Samvardhana Motherson Group. He has over 40 years of experience in the automotive industry.

Mr. Laksh Vaaman Sehgal, has been associated with our Company since 2009 and is presently a Non-Executive Director on our Board. He holds a bachelor's degree of Science in Business Administration from Boston University and is a Masters of Business Administration from Columbia University. He has over 10 years of experience in the automotive industry.

Mr. Toshimi Shirakawa, has been associated with our Company since 2003 and is presently a Non-Executive Director on our Board. He is an associate of electrical engineering from National Institute of Technology, Yonago College, Japan. He has been associated with SWS since 1984 and has over 30 years of experience in the automotive industry.

Ms. Noriyo Nakamura, has been associated with our Company since 2014 and is presently a Non-Executive Director on our Board. She has been associated with SWS since 2006 and has nine years of experience in the automotive industry.

Mr. Pankaj Mital, has been associated with our Company since 1990 and is presently a Whole-time Director on our Board. He holds an LL.B. degree in Law from Meerut University and holds a diploma in Business Management from Centre for Management Development, Uttar Pradesh. He has over 25 years of experience in the automotive industry.

Mr. Sushil Chandra Tripathi, has been associated with our Company since 2012 and is presently a Non-Executive and Independent Director on our Board. Prior to joining our Company in the year 2012, he has served in the Indian Administration Services and subsequently as a director on the board of Gammon Infrastructure Projects Limited.

Mr. Arjun Puri, has been associated with our Company since 2006 and is presently a Non-Executive and Independent Director on our Board. He has 10 years of experience in the automotive industry

Mr. Gautam Mukherjee, has been associated with our Company since 2012 and is presently a Non-Executive and Independent Director on our Board. He holds a bachelor's degree in arts from Panjab University. He has extensive experience in the automotive industry. Prior to joining our Company in the year 2012, he was associated with Jamna Auto Industries Limited as President (Finance).

Ms. Geeta Mathur, has been associated with our Company since 2014 and is presently a Non-Executive and Independent Director on our Board. She holds a bachelor's degree in commerce from the University of Delhi and is a fellow of the Institute of Chartered Accountants of India. She is also a director on the board of IIFL Holdings Limited, NIIT Limited, Beetel Teletech Limited, Tata Communications Transformation Services Limited, among others, and has extensive years of experience in finance.

Mr. Naveen Ganzu, has been associated with our Company since 2015 and is presently a Non-Executive and Independent Director on our Board. He holds a degree in Masters in Business Administration from St. Gallen, Switzerland and a post graduate diploma from International Management Institute, New Delhi. He has extensive experience in management of corporates.

Relationship with other Directors

Except as disclosed below, none of the Directors are related to each other:

(i) Mr. Vivek Chaand Sehgal is the father of Mr. Laksh Vaaman Sehgal.

Borrowing powers of our Board

Our Board of Directors is authorised to borrow money upon such terms and conditions as the Board may think fit and as per the provisions of Section 180(1)(c) of the Companies Act, 2013.

Interest of the Directors

All of the independent Directors may be deemed to be interested to the extent of sitting fees payable to them for attending the Board or Board committee meetings as well as commissions. Further, Mr. Pankaj Mital, our Whole-time Director and Chief Operating Officer may be deemed to be interested to the extent of the remuneration payable to him.

All of the Directors may also be regarded as interested in any Equity Shares held by them and also to the extent of any dividend payable to them and other distributions in respect of such Equity Shares held by them. All Directors may also be regarded as interested in the Equity Shares held by, or subscribed by and allotted to, their relatives or the companies, firms and trust, in which they are interested as directors, members, partners, trustees.

Except as mentioned in the schedule "***Related Party Transactions***" in the section "***Financial Statements***" on page 222 of this Placement Document, our Company has not entered into any contract, agreement or arrangement during the two years preceding the date of this Placement Document in which any of the Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them.

Shareholding of Directors

The following table sets forth the equity shareholding of the Directors in our Company as of the date of this Placement Document:

Name	Number of Equity Shares	Percent of total number of outstanding Equity Shares (in %)
Mr. Vivek Chaand Sehgal	32,517,957	2.46
Mr. Laksh Vaaman Sehgal	55	Negligible
Ms. Geeta Mathur	4,500	Negligible
Mr. Naveen Ganzu	94,201	Negligible
Mr. Pankaj Mital	41,455	Negligible

Terms of appointment of the Executive Director

The gross salary of Mr. Pankaj Mital includes payment of bonus, house rent allowance, medical reimbursement, leave travel concession for self and his family including dependents, personal accident insurance, children education allowance and other perquisites and amenities.

Remuneration of the Directors

Executive Director

The following tables set forth the remuneration paid by our Company to the present executive director of our Company for the Fiscal Years 2016, 2015, 2014 and the current year to the extent the remuneration has been paid.

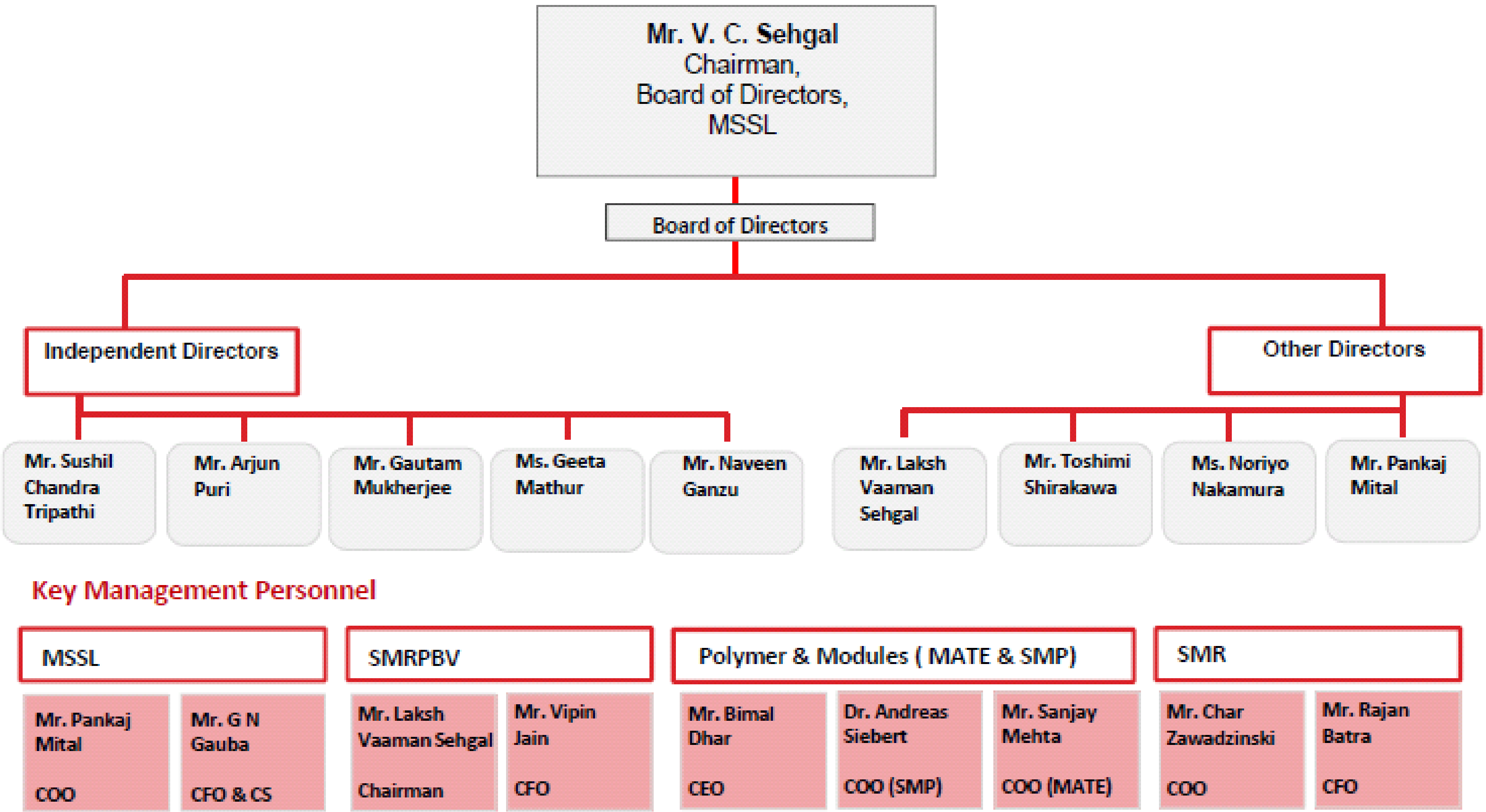
Name of the Directors	Salary and Perquisites (₹)			
	April 2016 to June 2016	Fiscal 2016	Fiscal 2015	Fiscal 2014
Mr. Pankaj Mital	3,714,738	15,338,462	12,096,716	10,543,100

Non-Executive Directors:

The following tables set forth the remuneration paid by our Company to the present non-executive Directors of our Company for the Fiscal Years 2016, 2015, 2014 and the current year to the extent the remuneration has been paid.

Name of the Directors	Sitting Fees and Commissions (₹)			
	April 2016 to June 2016	Fiscal 2016	Fiscal 2015	Fiscal 2014
Mr. Vivek Chaand Sehgal	Nil	Nil	Nil	Nil
Mr. Laksh Vaaman Sehgal	Nil	Nil	Nil	Nil
Mr. Toshimi Shirakawa	Nil	Nil	Nil	Nil
Ms. Noriyo Nakamura	Nil	Nil	Nil	Nil
Mr. Sushil Chandra Tripathi	100,000	3,100,000	2,240,000	1,980,000
Mr. Arjun Puri	100,000	3,150,000	2,200,000	1,880,000
Mr. Gautam Mukherjee	160,000	3,150,000	2,240,000	1,980,000
Ms. Geeta Mathur	130,000	3,080,000	2,220,000	320,000
Mr. Naveen Ganzu	50,000	1,400,000	N.A.	N.A.

Management organisation structure



Key Managerial Personnel

The following table sets forth details regarding our key managerial personnel as of the date of this Placement Document:

Sr. No.	Name	Age (years)	Designation
1.	Mr. G.N. Gauba	55	Chief Financial Officer and Company Secretary
2.	Pankaj Mital	49	Whole-time Director and Chief Operating Officer

Biographies of the Key Managerial Personnel

The details of the key management personnel other than Mr. Pankaj Mital, our Whole-time Director and Chief Operating Officer, on the date of this Placement Document, is set out below:

Mr. G. N. Gauba, is the Chief Financial Officer and Company Secretary of our Company. He has been associated with our Company since 1997. He is an associate of the Institute of Cost and Works Accountants of India. He is a fellow member of the Institute of Company Secretaries of India. He has completed his bachelor's degree in commerce and a master's degree in commerce, both from the University of Delhi. He has over 35 years of experience in the fields of cost accounting and compliance.

Shareholding of Key Managerial Personnel

The following table sets forth the shareholding of our key managerial personnel as of the date of this Placement Document:

Name	Number of Equity Shares	Percent of total number of outstanding Equity Shares (in %)
Mr. G.N. Gauba	16,200	Negligible
Mr. Pankaj Mital	41,455	Negligible

Interest of Key Managerial Personnel

The key managerial personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them and to the extent of the Equity Shares held by them or their dependents in our Company, if any, held by them and to the extent of the interest of Mr. Pankaj Mital please see disclosure under '*Interest of the Directors*' above.

Corporate governance

Our Board of Directors presently consists of 10 Directors. In compliance with the requirements of the SEBI Listing Regulations, our Board of Directors comprises five independent Directors. Our Company is in compliance with the corporate governance requirements under Chapter IV of the SEBI Listing Regulations.

Committees of our Board of Directors

Our Board of Directors has constituted committees, which function in accordance with the relevant provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

The following table sets forth the members of our committees as of the date of this Placement Document:

Committee	Members
Audit Committee	Mr. Sushil Chandra Tripathi (Chairman), Mr. Arjun Puri, Mr. Gautam Mukherjee, Ms. Geeta Mathur, Mr. Toshimi Shirakawa and Mr. Laksh Vaaman Sehgal
Nomination and Remuneration Committee	Mr. Gautam Mukherjee (Chairman), Ms. Geeta Mathur and Mr. Laksh Vaaman Sehgal
Stakeholders' Relationship Committee	Mr. Gautam Mukherjee (Chairman), Ms. Noriyo Nakamura and Mr. Pankaj Mital

Committee	Members
Risk Management Committee	Mr. Laksh Vaaman Sehgal (Chairman), Ms. Geeta Mathur, Ms. Noriyo Nakamura, Mr. Pankaj Mital and Mr. G.N. Gauba
Corporate Social Responsibility Committee	Mr. Vivek Chaand Sehgal (Chairman), Mr. Arjun Puri and Mr. Laksh Vaaman Sehgal

Apart from the above committees, our Board has constituted (i) Committee of Directors (Administrative Matters), comprising Mr. Laksh Vaaman Sehgal (Chairman), Ms. Noriyo Nakamura and Mr. Pankaj Mital as members, to facilitate decision making required to perform various day to day operations of our Company; (ii) Committee of Directors (Strategic Business Matters), comprising Mr. Laksh Vaaman Sehgal (Chairman), Mr. Sushil Chandra Tripathi, Ms. Geeta Mathur, Ms. Noriyo Nakamura and Mr. Pankaj Mital, to review our companies' acquisition proposals, divestment and business reorganization proposals, business, strategy and long term financial projections and cash flow; (iii) Share Transfer Committee, comprising Mr. Laksh Vaaman Sehgal (Chairman), Ms. Noriyo Nakamura and Mr. Pankaj Mital, to expedite transfer of physical shares of our Company; and (iv) Securities Issuance Committee, comprising Mr. Vivek Chaand Sehgal (Chairman), Mr. Toshimi Shirakawa, Mr. Gautam Mukherjee, Mr. Pankaj Mital and Ms. Geeta Mathur, for issuance of securities by our Company.

Other confirmations

None of our promoters, Directors or Key Managerial Personnel have any financial or other material interest in the Issue.

Related Party Transactions

For details in relation to the related party transactions entered by our Company during the last three Fiscal Years immediately preceding the date of this Placement Document, as per the requirements under Companies Act, 2013 and Accounting Standard 18 issued by the Institute of Chartered Accountants in India, please see section "***Financial Statements***" on page 222 of this Placement Document.

Employee Stock Option Schemes

Our Company has no employee stock option scheme.

Policy on Disclosures and Internal Procedure for prevention of Insider Trading

Regulation 9(1) of the Insider Trading Regulations, 2015 applies to us and our employees and requires us to implement a code of internal procedures and conduct for the prevention of insider trading. Our Company is in compliance with the same and has implemented an insider policy for employees. Mr. G. N. Gauba, acts as the Compliance Officer of our Company under the aforesaid code of conduct for the prevention of insider trading.

PRINCIPAL SHAREHOLDERS AND OTHER INFORMATION

1. The summary statement showing the holding of specified securities of our Company as of June 30, 2016, is herein below:

Category of shareholders	Nos. of shareholders	No. of fully paid-up equity shares held	No. of partly paid-up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)As a % of (A+B+C2)	Number of Locked in shares		Number of shares pledged or otherwise encumbered		Number of Equity shares held In dematerialized form
						No.(a)	As a % of total shares held(b)	No.(a)	As a % of Total shares held(b)	
(A) Promoter & Promoter Group*	9	86,79,14,453	-	86,79,14,453	65.61	-	-	7,96,61,461	9.18	86,79,14,453
(B) Public	1,12,879	45,49,64,587	-	45,49,64,587	34.39	-	-	-	0.00	44,72,00,119
(C1) Shares underlying DRs	-	-	-	-	-	-	-	-	-	-
(C2) Shares held by Employee Trust	-	-	-	-	-	-	-	-	-	-
(C)=(C1)+(C2) Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-
Grand Total = (A) + (B) + (C)	1,12,888	1,32,28,79,040		1,32,28,79,040	100.00	-	-	7,96,61,461	6.02	1,31,51,14,572

Note: *C=C1+C2*

Grand Total=A+B+C

** This does not include details of the Preferential Issue to SWS. To ensure that the shareholding of SWS in our Company is maintained at above 25%, our Company has issued 17,762,460 Equity Shares to SWS, one of our promoters, on September 12, 2016, through a preferential issue as permitted under Chapter VII of the SEBI ICDR Regulations and other applicable laws. The Preferential Issue to SWS has been approved by our shareholders' resolution passed at the AGM dated August 31, 2016.*

2. The summary statement showing holding of specified securities of the Promoter and Promoter Group in our Company as of June 30, 2016, is herein below:

Category of shareholders	Nos. of shareholders	No. of fully paid-up equity shares held	No. of partly paid-up equity shares held	Total nos. Shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Locked in shares		Number of shares pledged or otherwise encumbered		Number of Equity shares held in dematerialized form
						No. (a)	As a % of total shares held (b)	No.(a)	As a % of total Shares held (b)	
A1) Indian					0.00				0.00	
Individuals/HUF	**4**	73,91,213		73,91,213	0.56					73,91,213
Ms. Geeta Soni	1	38,26,813		38,26,813	0.29	-	-	-	-	38,26,813
Ms. Renu Sehgal	1	66,705		66,705	0.01	-	-	-	-	66,705
Ms. Neelu Mehra	1	34,97,640		34,97,640	0.26	-	-	-	-	34,97,640
Mr. Laksh Vaaman Sehgal	1	55		55	0.00	-	-	-	-	55
Any Other (specify)	**1**	48,85,49,846		48,85,49,846	36.93	-	-	7,96,61,461	16.31	48,85,49,846
Samvardhana Motherson International Limited	1	48,85,49,846		48,85,49,846	36.93	-	-	7,96,61,461	16.31	48,85,49,846
Sub Total A1	5	49,59,41,059		49,59,41,059	37.49	-	-	7,96,61,461	16.06	49,59,41,059
A2) Foreign					0.00	-	-			
Individuals (NonResident	1	3,25,17,957		3,25,17,957	2.46	-	-	-	-	3,25,17,957

Category of shareholders	Nos. of shareholders	No. of fully paid-up equity shares held	No. of partly paid-up equity shares held	Total nos. Shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Locked in shares		Number of shares pledged or otherwise encumbered		Number of Equity shares held in dematerialized form
						No. (a)	As a % of total shares held (b)	No.(a)	As a % of total Shares held (b)	
Individuals/ Foreign Individuals)										
Mr. Vivek Chaand Sehgal		3,25,17,957		3,25,17,957	2.46	-	-	-	-	3,25,17,957
Any Other (specify)	3	33,94,55,437		33,94,55,437	25.66	-	-	-	-	33,94,55,437
Sumitomo Wiring Systems Limited*		33,45,20,781		33,45,20,781	25.29	33,45,20,781	100	-	-	33,45,20,781
H.K. Wiring Systems Limited		34,04,601		34,04,601	0.26	-	-	-	-	34,04,601
Radha Rani Holdings Pte Ltd.		15,30,055		15,30,055	0.12	-	-	-	-	15,30,055
Sub Total A2	4	37,19,73,394		37,19,73,394	28.12	33,45,20,781	89.93	-	-	37,19,73,394
A=A1+A2	9	86,79,14,453		86,79,14,453	65.61	33,45,20,781	38.54	7,96,61,461	9.18	86,79,14,453

** This does not include details of the Preferential Issue to SWS. To ensure that the shareholding of SWS in our Company is maintained at above 25%, our Company has issued 17,762,460 Equity Shares to SWS, one of our promoters, on September 12, 2016, through a preferential issue as permitted under Chapter VII of the SEBI ICDR Regulations and other applicable laws. The Preferential Issue to SWS has been approved by our shareholders' resolution passed at the AGM dated August 31, 2016.*

3. The summary statement showing holding of specified securities of public shareholders in our Company as of June 30, 2016, is herein below:

Category & Name of the Shareholders	No. of Shareholders	No. of fully paid-up equity shares held	Partly paid-up equity shares held	Total no. of shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)			Number of equity shares held in dematerialized form (Not Applicable)
						No of Voting Rights	Total as a % of Total Voting right	
B1) Institutions	0	0	-		0.00		0.00	
Mutual Funds/	168	6,86,61,898	-	6,86,61,898	5.19	6,86,61,898	5.19	6,86,61,898
Foreign Portfolio Investors	459	23,97,49,779	-	23,97,49,779	18.12	23,97,49,779	18.12	23,97,49,779
Europacific Growth Fund	1	2,00,00,000	-	2,00,00,000	1.51	2,00,00,000	1.51	2,00,00,000
Financial Institutions/ Banks	23	40,96,098	-	40,96,098	0.31	40,96,098	0.31	40,75,220
Sub Total B1	650	31,25,07,775	-	31,25,07,775	23.62	31,25,07,775	23.62	31,24,86,897
B2) Central Government/ State Government(s)/ President of India	0	0	-		0.00		0.00	-
B3) Non-Institutions	0	0	-		0.00		0.00	
Individual share capital upto ₹ 2 Lacs	1,06,719	6,65,77,541	-	6,65,77,541	5.03	6,65,77,541	5.03	5,90,39,749
Individual share capital in excess of ₹ 2 Lacs	34	3,14,81,641	-	3,14,81,641	2.38	3,14,81,641	2.38	3,14,81,641
Ms. Reetha	1	1,36,90,551	-	1,36,90,551	1.03	1,36,90,551	1.03	1,36,90,551

Category &	No. of	No. of fully	Partly	Total no. of	Shareholding			Number of
Shetty								
NBFCs registered with RBI	17	3,59,834	-	3,59,834	0.03	3,59,834	0.03	3,59,834
Any Other (specify)	5,459	4,40,37,796	-	4,40,37,796	3.33	4,40,37,796	3.33	4,38,31,998
Body Corporate	1790	37657086	-	37657086	2.85	37657086	2.85	37457028
Clearing Members	359	12,76,188	-	12,76,188	0.10	12,76,188	0.10	12,76,188
Trusts	20	12,80,312	-	12,80,312	0.10	12,80,312	0.10	12,80,263
Foreign Individuals or NRI	3,290	3824210	-	38,24,210	0.29	38,24,210	0.29	38,18,519
ICICI Prudential Life Insurance Company Ltd	1	1,54,62,022	-	1,54,62,022	1.17	1,54,62,022	1.17	1,54,62,022
Sub Total B3	1,12,229	14,24,56,812	-	14,24,56,812	10.77	14,24,56,812	10.77	13,47,13,222
B=B1+B2+B3	1,12,879	45.49,64,587	-	45,49,64,587	34.39	45,49,64,587	34.39	44,72,00,119

ISSUE PROCEDURE

*The following is a summary intended to present a general outline of the procedure relating to the application, payment, Allocation and Allotment of the Equity Shares to be issued pursuant to the Issue. The procedure followed in the Issue may differ from the one mentioned below, and investors are presumed to have apprised themselves of any changes from our Company or the Book Running Lead Managers. Prospective investors are advised to inform themselves of any restrictions or limitations that may be applicable to them. Investors that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the Book Running Lead Managers and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company and the Book Running Lead Managers and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares. Please see sections "**Selling Restrictions**" and "**Transfer Restrictions**" on pages 187 and 193 of this Placement Document, respectively.*

Qualified Institutions Placement

The Issue is being made to Eligible QIBs in reliance upon Chapter VIII of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013, by way of a QIP. Under Chapter VIII of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company may issue equity shares to Eligible QIBs provided that certain conditions are met by our company. Certain of these conditions are set out below:

a) the shareholders of the issuer have passed a special resolution approving such QIP. Such special resolution must specify: (i) that the allotment of securities is proposed to be made pursuant to the QIP and (ii) the relevant date, as defined in the SEBI ICDR Regulations;
b) equity shares of the same class of such issuer, which are proposed to be allotted through the QIP, are listed on a recognised stock exchange in India having nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to pass the above-mentioned special resolution;
c) the aggregate of the proposed issue and all previous qualified institutions placements made by the issuer in the same financial year does not exceed five times the net worth (as defined in the SEBI ICDR Regulations) of the issuer as per the audited balance sheet of the previous financial year;
d) the issuer shall be in compliance with the minimum public shareholding requirements set out in the SCRR;
e) the issuer shall have completed allotments with respect to any offer or invitation made by the issuer has not withdrawn or abandoned any invitation or offer previously made by the issuer;
f) the issuer shall offer to each Allottee at least such number of the securities in the issue which would aggregate to ₹ 20,000 calculated at the face value of the securities;
g) the explanatory statement to the notice to the shareholders for convening the general meeting must disclose the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;
h) the offer must be made through a private placement offer letter and an application form serially numbered and addressed specifically to the Eligible QIB to whom the offer is made and is sent within 30 days of recording the names of such Eligible QIBs;
i) the offer must not be to more than 200 persons in a financial year. However, an offer to QIBs will not be subject to this limit of 200 persons. Prior to circulating the private placement offer letter, the issuer must prepare and record a list of Eligible QIBs to whom the offer will be made. The offer must be made only to such persons whose names are recorded by the issuer prior to the invitation to subscribe;
j) the offering of securities by issue of public advertisements or utilization of any media, marketing or distribution channels or agents to inform the public about the issue is prohibited.

At least 10% of the Equity Shares issued to Eligible QIBs must be allotted to Mutual Funds, provided that, if this portion, or any part thereof to be Allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders are not allowed to withdraw their Bids after the Bid/Issue Closing Date

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the issuer's equity shares of the same class quoted on the stock exchange during the two weeks preceding the relevant date. However, our Company has decided to offer a discount of 2.79% on the Floor Price in accordance with the provisions of the SEBI ICDR Regulations. The Floor Price per Equity Share is ₹ 326.10.

The "relevant date" in case of allotment of equity shares, refers to the date of the meeting in which the board of directors or the committee of directors duly authorised by the board of the issuer decides to open the proposed issue and "stock exchange" means any of the recognised stock exchanges in India on which the equity shares of the issuer of the same class are listed and on which the highest trading volume in such shares has been recorded during the two weeks immediately preceding the relevant date.

Securities must be allotted within 12 months from the date of the shareholders' resolution approving the QIP and also within 60 days from the date of receipt of subscription money from the Bidders.

The Equity Shares issued pursuant to the QIP must be issued on the basis of the Preliminary Placement Document and this Placement Document that shall contain all material information including the information specified in Schedule XVIII of the SEBI ICDR Regulations and the requirements prescribed under Form PAS-4. The Preliminary Placement Document and this Placement Document are private documents provided to only select investors through serially numbered copies and are required to be placed on the websites of the concerned Stock Exchanges and of our Company, with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors.

The minimum number of allottees for each QIP shall not be less than:

a) two, where the issue size is less than or equal to ₹ 2,500 million; and
b) five, where the issue size is greater than ₹ 2,500 million.

No single allottee shall be allotted more than 50% of the issue size or less than ₹ 20,000 of face value of Equity Shares. Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single allottee. For details of what constitutes "same group" or "common control", please see sections "***Issue Procedure-Application Process-Application Form***" on page 179 of this Placement Document.

Our Company has applied for and received the in-principle approval of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares on the Stock Exchanges. Our Company has furnished a copy of the Preliminary Placement Document and will file a copy of this Placement Document with the Stock Exchanges.

Our Company shall also make the requisite filings with the RoC and SEBI within the stipulated period as required under the Companies Act and the Companies (Prospectus and Allotment of Securities) Rules, 2014.

The Issue has been authorised and approved by the Board of Directors on August 3, 2016 and by the shareholders of our Company by way of their special resolution dated August 31, 2016. To ensure that the shareholding of SWS in our Company is maintained at above 25%, our Company has issued 17,762,460 Equity Shares to SWS, one of our promoters, on September 12, 2016, through a preferential issue as permitted under Chapter VII of the SEBI ICDR Regulations and other applicable laws. The Preferential Issue to SWS has been approved by our shareholders' resolution passed at the AGM dated August 31, 2016.

Securities allotted to Eligible QIBs pursuant to the Issue shall not be sold for a period of one year from the date of allotment except on the floor of a recognised stock exchange in India.

The Equity Shares have not been recommended by any foreign, federal or state securities commission or regulatory authority. Further, the Equity Shares have not been and will not be registered under the Securities Act, and subject to certain exceptions, may not be offered or sold within the United States (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Equity Shares are being offered and sold (1) in the United States to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) pursuant to Section 4(a)(2) of the Securities Act and (2) outside the United States in reliance on Regulation S. See the sections titled "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 187 and 193, respectively, of this Placement Document. The Equity Shares are transferable only in accordance with the restrictions described in "*Selling Restriction*" and "*Transfer Restrictions*" on pages 187 and 193, respectively, of this Placement Document. Purchaser of the Equity Shares will be deemed to

make the representations, warranties, acknowledgments and agreements set forth in the sections "*Representations by Investors*" and "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 4, 187 and 193, respectively, of this Placement Document.

Issue Procedure

Our Company and the Book Running Lead Managers shall circulate serially numbered copies of the Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form to the Eligible QIBs and the Application Form will be specifically addressed to such Eligible QIBs. In terms of Section 42(7) of the Companies Act, 2013, our Company shall maintain complete records of Eligible QIBs to whom the Preliminary Placement Document, this Placement Document and the serially numbered Application Form have been dispatched. Our Company will make the requisite filings with RoC and SEBI within the time period, as required under the Companies Act, 2013.

The list of QIBs to whom the Preliminary Placement Document and Application Form is delivered, has been determined by the Book Running Lead Managers in consultation with our Company, at its sole discretion. Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form is addressed to a particular Eligible QIB, no invitation to subscribe shall be deemed to have been made to such Eligible QIB. Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

Bidders shall submit Bids for, and our Company shall issue and Allot to each Allottee, at least such number of Equity Shares in the Issue which would aggregate to ₹ 20,000, calculated at the face value of the Equity Shares.

Eligible QIBs may submit an Application Form, including any revisions thereof, during the Bidding Period to any of the Book Running Lead Managers.

Eligible QIBs will be, *inter alia*, required to indicate the following in the Application Form:

a) full official name of the Eligible QIB to whom Equity Shares are to be Allotted;
b) number of Equity Shares Bid for;
c) price at which they are agreeable to subscribe for the Equity Shares, provided that Eligible QIBs may also indicate that they are agreeable to submit a Bid at "Cut-off Price", which shall be any price as may be determined by our Company in consultation with the Book Running Lead Managers at or above the Floor Price or the Floor Price net of such discount, as approved in accordance with SEBI ICDR Regulations; The Floor Price for the Issue is ₹ 326.10;
d) details of the depository account to which the Equity Shares should be credited;
e) a representation that it is outside the United States;
f) it has agreed to certain other representations set forth in the Application Form; and
g) SEBI registration number, if applicable.

NOTE: Each sub-account of an FII other than a sub-account which is a foreign corporate or a foreign individual will be considered an individual Eligible QIB and separate Application Forms would be required from each such sub-account for submitting Bids. FIIs or sub-accounts of FIIs are required to indicate SEBI FII/ sub-account registration number in the Application Form.

Once a duly completed Application Form is submitted by an Eligible QIB, such Application Form constitutes an irrevocable offer and cannot be withdrawn after the Bid/Issue Closing Date. The Bid/Issue Closing Date shall be notified to the Stock Exchanges and Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI.

Upon receipt of the Application Form, after the Bid/Issue Closing Date, our Company has determined the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue in consultation with the Book Running Lead Managers. Upon determination of the final terms of the Equity Shares, the Book Running

Lead Managers will send the serially numbered CAN along with this Placement Document to Eligible QIBs who have been Allocated the Equity Shares. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Eligible QIB to pay the entire Issue Price for all the Equity Shares Allocated to such Eligible QIB. The CAN shall contain details such as the number of Equity Shares Allocated to the Eligible QIB and payment instructions including the details of the amounts payable by the Eligible QIB for Allotment of the Equity Shares in its name and the Pay-In Date as applicable to the respective Eligible QIB. **Please note that the Allocation will be at the absolute discretion of our Company and will be based on the recommendation of the Book Running Lead Managers.**

Pursuant to receiving a CAN, each Eligible QIB shall be required to make the payment of the entire application monies for the Equity Shares indicated in the CAN at the Issue Price, only through electronic transfer to the Escrow Account by the Pay-In Date as specified in the CAN sent to the respective Eligible QIBs. No payment shall be made by Eligible QIBs in cash. Please note that any payment of application money for the Equity Shares shall be made from the bank accounts of the relevant Eligible QIBs applying for the Equity Shares and our Company shall keep a record of the bank account from where such payment for subscriptions have been received. Monies payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the application. Pending Allotment, all monies received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013. Please see the section "***Issue Procedure - Bank Account for Payment of Application Money***" on page 182 of this Placement Document.

Upon receipt of the application monies from the Eligible QIBs, our Company shall Allot Equity Shares as per the details in the CANs sent to the Eligible QIBs.

After passing the resolution for Allotment and prior to crediting the Equity Shares into the depository participant accounts of the successful Bidders, our Company shall apply to the Stock Exchanges for listing approvals. Our Company will intimate to the Stock Exchanges the details of the Allotment and apply for approvals for listing of the Equity Shares on the Stock Exchanges prior to crediting the Equity Shares into the beneficiary account maintained with the Depository Participant by the Eligible QIBs.

After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the Depository Participant accounts of the respective Allottees.

Our Company will then apply for the final trading approvals from the Stock Exchanges.

The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Eligible QIBs shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

Upon receipt of intimation of final trading and listing approval from each of the Stock Exchanges, our Company shall inform the Allottees of the receipt of such approval. Our Company and the Book Running Lead Managers shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Final listing and trading approvals granted by the Stock Exchanges are also placed on their respective websites. Eligible QIBs are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Eligible QIBs

Only eligible QIBs as defined in Regulation 2(1)(zd) and Chapter VIII of the SEBI ICDR Regulations, and not otherwise excluded under Regulation 86 of the SEBI ICDR Regulations or other applicable regulations, can invest in the Issue.

Currently, under Regulation 2(1)(zd) and Chapter VIII of the SEBI ICDR Regulations, a QIB means:

1. a public financial institution as defined in Section 4A of the Companies Act, 1956 (Section 2(72) of the Companies Act, 2013);

2. a scheduled commercial bank;

3. a mutual fund registered with the SEBI;

4. Eligible FPIs;

5. a multilateral and bilateral development financial institution;

6. venture capital funds and AIFs registered with the SEBI;

7. a foreign venture capital investor registered with the SEBI;

8. a state industrial development corporation;

9. an insurance company registered with Insurance Regulatory and Development Authority of India;

10. a pension fund with minimum corpus of ₹250 million;

11. National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the

12. Government of India published in the Gazette of India; and

13. an insurance fund set up and managed by the army, navy or air force of the Union of India; and

14. insurance funds set up and managed by the Department of Posts, India; and

15. a provident fund with minimum corpus of ₹250 million.

FIIs (other than a sub-account which is a foreign corporate or a foreign individual) and Eligible FPIs are permitted to participate in the Issue through the Portfolio Investment Scheme and the Foreign Portfolio Investment Scheme, respectively, subject to compliance with all applicable laws and such that the shareholding of the FPIs does not exceed specified limits as prescribed under applicable laws in this regard. Note that FVCIs, foreign multilateral and bilateral development financial institutions and any other non-resident investors are not permitted to participate in the Issue.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. No single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) can hold 10% or more of our post Issue paid-up capital.

Currently, the aggregate FPI (including FII) holding is 18.78% of our total paid up capital.

In terms of the SEBI FPI Regulations, the Equity Shares issued to a single Eligible FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) shall be below 10% of the post-Issue Equity Share capital of our Company. Further, in terms of the FEMA Regulations, the total holding of each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board followed by a special resolution passed by the shareholders. The shareholders have *vide* resolution dated August 31, 2016 passed a resolution to increase this limit up to 30%. As of the date of this Placement Document, the total holding of FPI shall not exceed 30% of the paid-up equity share capital of our Company.

An FII or sub-account (other than a sub-account which is a foreign corporate or foreign individual) who holds a valid certificate of registration from the SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees has been paid as per the SEBI FII Regulations. An FII or a sub-account (other than a sub-account which is a foreign corporate or a foreign individual) may participate in the Issue, until expiry of its registration as an FII or sub-account or until it obtains a certificate of registration as an FPI, whichever is earlier. If the registration of an FII or sub-account has expired or is about to expire, such FII or sub-account may, subject to payment of conversion fees as applicable under the FPI Regulations, participate in the Issue. An FII or sub-account shall not be eligible to invest as an FII or sub-account after registering as an FPI under the FPI Regulations.

In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

Restriction on Allotment

Pursuant to Regulation 86(1)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any Eligible QIB being, or any person related to, the promoters. Eligible QIBs which have all or any of the following rights shall be deemed to be persons related to the promoters:

a) rights under a shareholders' agreement or voting agreement entered into with the promoter or persons related to the promoters;
b) veto rights; or
c) a right to appoint any nominee director on the Board.

Provided, however, that an Eligible QIB which does not hold any equity shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the promoters.

Our Company and the Book Running Lead Managers are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not directly or indirectly result in triggering an open offer under the Takeover Regulations.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. If no Mutual Fund is agreeable to take up the minimum portion as specified above, such minimum portion or part thereof may be Allotted to other Eligible QIBs.

Note: *Affiliates or associates of the Book Running Lead Managers who are Eligible QIBs may participate in the Issue in compliance with applicable laws.*

Application Process

Application Form

Eligible QIBs shall only use the serially numbered Application Forms (which are addressed to them) supplied by the Book Running Lead Managers in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of the Preliminary Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of the Preliminary Placement Document, the Eligible QIB will be deemed to have made the following representations and warranties and the representations, warranties and agreements made under the sections "***Notice to Investors***", "***Representations by Investors***", "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 2, 4, 187 and 193 of this Placement Document, respectively:

1. it is a QIB in terms of Regulation 2(1)(zd) of the SEBI ICDR Regulations and is not excluded under Regulation 86 of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. it is not a promoter and is not a person related to the promoter, either directly or indirectly and its Application Form does not directly or indirectly represent the promoter or promoter group or persons related to the "promoter" as defined in the SEBI ICDR Regulations;

3. it has no rights under a shareholders' agreement or voting agreement with the promoter or persons related to the promoter, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender which shall not be deemed to be a person related to the "promoter" as defined in the SEBI ICDR Regulations;

4. It acknowledges that has no right to withdraw its Bid after the Bid/Issue Closing Date;

5. if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the Stock Exchanges;

6. it is eligible to Bid and hold Equity Shares so Allotted and its holding, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Eligible QIB;

7. its Bid would not directly or indirectly result in triggering an open offer under the Takeover Regulations;

8. to the best of its knowledge and belief together with other Eligible QIBs in the Issue that belongs to the same group or are under same control, the Allotment to it shall not exceed 50% of the Issue. For the purposes of this statement:

    (a) The expression "belongs to the same group" shall derive meaning from the concept of "companies under the same group" as provided in sub-section (11) of Section 372 of the Companies Act, 1956;

    (b) "Control" shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the Takeover Regulations.

9. it shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

ELIGIBLE QIBS MUST PROVIDE THEIR DEPOSITORY ACCOUNT DETAILS, PAN, THEIR DEPOSITORY PARTICIPANT'S NAME, E-MAIL ID, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. FOR THIS PURPOSE ELIGIBLE SUB ACCOUNTS OF AN FII WOULD BE CONSIDERED AS AN INDEPENDENT ELIGIBLE QIB.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, THE ELIGIBLE QIB SUBMITTING A BID, ALONG WITH THE BID CUM APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BOOK RUNNING LEAD MANAGERS TO EVIDENCE THEIR STATUS AS AN "ELIGIBLE QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, ESCROW BANK(S) OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER CLOSURE OF THE ISSUE, THE ELIGIBLE QIB SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE PLACEMENT, WILL HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details given above.

The submission of an Application Form by an Eligible QIB shall be deemed a valid, binding and irrevocable offer for the Eligible QIB to pay the entire Issue Price for the Equity Shares (as indicated by the CAN) and becomes a binding contract on the Eligible QIB upon issuance of the CAN by our Company in favour of the Eligible QIB.

Submission of Application Form

All Application Forms must be duly completed with information including the name of the Eligible QIB and the number of Equity Shares applied for. The Application Form shall be submitted to the Book Running Lead Managers either through electronic form or through physical delivery at the following address:

Name of the Book Running Lead Managers	Address	Contact Person	Email	Phone (Telephone and Fax)
JM Financial Institutional Securities Limited	7th Floor, Cnergy Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025	Kailash Soni	mssl.qip@jmfl.com	Tel.: +91 22 66303266 Fax: +91 22 66303330
UBS Securities India Private Limited	2/F, North Avenue, Maker Maxity, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051, India	Divya Sohal	Divya.sohal@ubs.com	Tel.: +91 22 6155 6156 Fax: +91 22 6155 6292
ICICI Securities Limited	ICICI Centre H.T. Parekh Marg Churchgate, Mumbai 400 020, Maharashtra, India	Prem D'Cunha / Payal Kulkarni	projectml@icicisecurities.com	Tel : +91 22 2288 2460 Fax : +91 22 2282 6580
IDFC Bank Limited	Naman Chambers C-32, G Block Bandra Kurla Complex Bandra (East) Mumbai 400 051 Maharashtra, India	Rajshekhar Swamy	mssl.qip@idfcbank.com	Tel: +91 22 6622 2600 Fax: +91 22 6622 2501
IIFL Holdings Limited	10th Floor, IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013	Pinak Bhattacharyya /Gururaj Sundaram	mssl.qip@iiflcap.com	Tel.: +91 22 4646 4600 Fax: +91 22 2493 1073

The Book Running Lead Managers shall not be required to provide any written acknowledgement of the receipt of the Application Form.

Permanent Account Number or PAN

Each Eligible QIB should mention its PAN allotted under the IT Act in the Application Form. Applications without this information will be considered incomplete and are liable to be rejected. Eligible QIBs should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Pricing and Allocation

Build up of the Book

Eligible QIBs shall submit their Bids (including the revision of bids) within the Bidding Period to the Book Running Lead Managers and such Bids cannot be withdrawn after the Bid/Issue Closing Date. The book shall be maintained by the Book Running Lead Managers.

Price Discovery and Allocation

Our Company, in consultation with the Book Running Lead Managers, shall determine the Issue Price, which shall be at or above the Floor Price. Our Company has decided to offer a discount of 2.79% on the Floor Price in terms of Regulation 85(1) of the SEBI ICDR Regulations.

After finalisation of the Issue Price, our Company shall update the Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as this Placement Document.

Method of Allocation

Our Company shall determine the Allocation in consultation with the Book Running Lead Managers on a discretionary basis and in compliance with Chapter VIII of the SEBI ICDR Regulations.

Application Forms received from the Eligible QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Eligible QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD

MANAGERS IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL ELIGIBLE QIBS. ELIGIBLE QIBS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AT OR ABOVE THE ISSUE PRICE. NEITHER OUR COMPANY NOR THE BOOK RUNNING LEAD MANAGERS ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

All Application Forms duly completed along with payment and a copy of the PAN card or PAN allotment letter shall be submitted to the Book Running Lead Managers as per the details provided in the respective CAN.

CAN

Based on the Application Forms received, our Company, in consultation with the Book Running Lead Managers, in their sole and absolute discretion, decide the Eligible QIBs to whom the serially numbered CAN shall be sent, pursuant to which the details of the Equity Shares Allocated to them and the details of the amounts payable for Allotment of such Equity Shares in their respective names shall be notified to such Eligible QIBs. Additionally, a CAN will include details of the relevant Escrow Account into which such payments would need to be made, address where the application money needs to be sent, Pay-In Date as well as the probable designated date, being the date of credit of the Equity Shares to the respective Eligible QIB's account.

Eligible QIBs would also be sent a serially numbered Placement Document either in electronic form or by physical delivery along with the serially numbered CAN.

The dispatch of the serially numbered Placement Document and the serially numbered CAN to Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIB to furnish all details that may be required by the Book Running Lead Managers and to pay the entire Issue Price for all the Equity Shares Allocated to such Eligible QIB.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

Bank Account for Payment of Application Money

Our Company has opened the "MOTHERSON SUMI SYSTEMS LIMITED – ESCROW ACCOUNT" with the Escrow Agent in terms of the arrangement among us, the Book Running Lead Managers and the Escrow Agent. Eligible QIB will be required to deposit the entire amount payable for the Equity Shares Allocated to it by the Pay-In Date as mentioned in the respective CAN.

If the payment is not made favouring the "MOTHERSON SUMI SYSTEMS LIMITED – ESCROW ACCOUNT" within the time stipulated in the CAN, the Application Form and the CAN of the Eligible QIB are liable to be cancelled.

Our Company undertakes to utilise the amount deposited in "MOTHERSON SUMI SYSTEMS LIMITED – ESCROW ACCOUNT" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of application money if we have not been able to Allot Equity Shares in the Issue.

In case of cancellations or default by the Eligible QIBs, our Company and the Book Running Lead Managers have the right to reallocate the Equity Shares at the Issue Price among existing or new Eligible QIBs at our sole and absolute discretion.

Payment Instructions

The payment of application money shall be made by the Eligible QIBs in the name of "MOTHERSON SUMI SYSTEMS LIMITED – ESCROW ACCOUNT" as per the payment instructions provided in the CAN.

Payments are to be made only through electronic fund transfer.

***Note**: Payments other than through electronic transfer funds including through cheque are liable to be rejected at the sole discretion of the Book Running Lead Managers.*

Designated Date and Allotment of Equity Shares

The Equity Shares will not be Allotted unless Eligible QIBs pay the Issue Price to the "MOTHERSON SUMI SYSTEMS LIMITED – ESCROW ACCOUNT" as stated above.

In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Our Company, at its sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the Eligible QIBs' Depository Participant accounts, our Company will apply for final trading and listing approvals from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

In relation to Eligible QIBs who have been Allotted more than 5% of the Equity Shares in the Issue, our Company shall disclose the name and the number of the Equity Shares Allotted to such Eligible QIB to the Stock Exchanges and the Stock Exchanges will make the same available on their website. Our Company shall make the requisite filings with the RoC and the SEBI within the stipulated period as required under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014.

The Escrow Agent shall release the monies lying to the credit of the Escrow Account to our Company after Allotment of Equity Shares to Eligible QIBs and receipt of the required the listing and trading approvals from the Stock Exchanges.

In the event that our Company is unable to issue and Allot the Equity Shares offered in the Issue or on cancellation of the Issue, within 60 days from the date of receipt of application money, our Company shall repay the application money within 15 days from expiry of 60 days, failing which our Company shall repay that money with interest at the rate of 12% per annum from expiry of the sixtieth day. The application money to be refunded by our Company shall be refunded to the same bank account from which application money was remitted by the Eligible QIBs.

Other Instructions

Right to Reject Applications

Our Company, in consultation with the Book Running Lead Managers, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company and the Book Running Lead Managers in relation to the rejection of Bids shall be final and binding.

Equity Shares in Dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Allotment to a successful Eligible QIB will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Eligible QIB.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all Eligible QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the Book Running Lead Managers will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on part of the Eligible QIBs.

PLACEMENT

Placement Agreement

The Book Running Lead Managers have entered into a placement agreement with our Company ("**Placement Agreement**") dated September 8, 2016, pursuant to which the Book Running Lead Managers, severally and not jointly, have agreed to manage the Issue and act as placement agents in connection with the proposed Issue and procure subscriptions for the Equity Shares to be issued pursuant to the Issue on a reasonable efforts basis, to Eligible QIBs, pursuant to Chapter VIII of the SEBI ICDR Regulations and the Companies Act, 2013, read with rules thereunder.

The Placement Agreement contains customary representations, warranties and indemnities from our Company and the Book Running Lead Managers, and it is subject to termination in accordance with the terms contained therein.

The Placement Document has not been, and will not be, registered as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs. Our Company shall make the requisite filings with the RoC and the SEBI within the stipulated period as required under the Companies Act and the Companies (Prospectus and Allotment of Securities) Rules, 2014.

Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchange. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

Relationship with the Book Running Lead Managers

In connection with the Issue, the Book Running Lead Managers or their respective affiliates may, for their own accounts, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and subscription or sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Managers may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Managers may purchase the Equity Shares or be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. Please see the section titled "***Offshore Derivative Instruments***". From time to time, the Book Running Lead Managers, and their respective affiliates and associates have engaged in or may in the future engage in transactions with and perform services including but not limited to investment banking, advisory, banking, trading services for our Company, its Subsidiaries, group companies, affiliates and the shareholders, as well as to their respective associates and affiliates, pursuant to which fees and commissions have been paid or will be paid to the Book Running Lead Managers and their respective affiliates and associates.

In compliance with the proviso to Regulation 21A(1) of the SEBI Merchant Bankers Regulations, 1992, as amended (Merchant Bankers Regulations), IIFL Holdings Limited will be involved only in the marketing of the Issue.

Lock-up

The Company has agreed with the Book Running Lead Managers that it will not for a period of 60 days from the date of the Placement Agreement without the prior written consent of each of the Book Running Lead Managers, directly or indirectly, (a) offer, issue, contract to issue, issue or offer any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of or lend or agree to transfer or dispose of or create an Encumbrance over, any Equity Shares, or any interest therein or file any registration statement under the U.S. Securities Act with respect to any of the foregoing or (b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Equity Shares or any interest therein, including but not limited to any securities convertible into or exercisable or exchangeable for Equity Shares (regardless of whether any of the transactions described in clause (a) or (b) is to be settled by the delivery of such securities, in cash or otherwise), or (c) deposit such securities of the

Company with any other depositary in connection with a depositary receipt facility or (d) publicly announce any intention to enter into any transaction falling within (a) to (c) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale, issue or offer or deposit of such Equity Shares of the Company in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (c) above. Provided however that the Preferential Issue to SWS is permitted and is not restricted by the lock-up above.

Further, Samvardhana Motherson International Limited holds 48,85,49,846 Equity Shares aggregating 36.93% of the share capital of the Company pre-Placement and prior to the Preferential Issue of SWS. Samvardhana Motherson International Limited has agreed with the Book Running Lead Managers that during the period commencing on the date hereof and ending 60 days after the date of allotment of the Equity Shares under the Placement (the "**Lock-up Period**"), it shall not, without the prior written permission of the Book Running Lead Managers, do the following: (a) directly or indirectly, issue, offer, lend, sell, contract to sell, pledge, Encumber, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, make any short sale, or otherwise transfer or dispose of, or agree to transfer or dispose of or create an encumbrance over any Promoter Share (as defined herein below) or any interest therein, including but not limited to any options or warrants to purchase any Promoter Shares, or any securities convertible into or exercisable for or exchangeable for, or that represent the right to receive, any Promoter Share or file any registration statement under the U.S. Securities Act of 1933, as amended, with respect to any of the foregoing (regardless of whether any of the transactions described in this para (a) is to be settled by the delivery of the Promoter Shares or such other securities, in cash or otherwise); or (b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Promoter Shares or any interest therein, including but not limited to any securities convertible into, or exercisable, or exchangeable for any of the Promoter Shares (regardless of whether any of the transactions described in this para (b) is to be settled by the delivery of the Promoter Shares or such other securities, in cash or otherwise); or (c) deposit any of the Promoter Shares, or any securities convertible into, or exercisable, or exchangeable for the Promoter Shares or which carry the rights to subscribe for or purchase the Promoter Shares, with any depositary in connection with a depositary receipt facility; or (d) publicly announce any intention to enter into any transaction falling within (a) to (c) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of the Promoter Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (c) above. Notwithstanding anything provided above, the foregoing restrictions on transfer of Promoter Shares by the promoter group shall not apply to: (i) any inter group transfer made to any entities promoted by the promoter group ("**Promoter Group Entities**"), subject to compliance with Applicable Law and subject to observance by the transferee Promoter Group Entities of the foregoing restrictions on transfer of Promoter Shares until the expiry of the Lock-up Period; and (ii) any creation of pledge on the Promoter Shares as security for any indebtedness.

Further, in accordance with Regulation 88 of the SEBI ICDR Regulations, our Company shall not make a subsequent QIP until expiry of six months from the date of this Issue.

SELLING RESTRICTIONS

The distribution of this Placement Document or any offering material and the offering, sale or delivery of the Equity Shares is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Placement Document or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorized.

General

No action has been taken or will be taken that would permit an offering of the Equity Shares to occur in any jurisdiction, or the possession, circulation or distribution of this Placement Document or any other material relating to our Company or the Equity Shares in any jurisdiction where action for such purpose is required, except India. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any offering materials or advertisements in connection with the offering of the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made in compliance with the applicable laws, including the SEBI ICDR Regulations. Each subscriber of the Equity Shares offered by this Placement Document will be deemed to have made the representations, agreements and acknowledgements as described under "***Notice to Investors***" "***Representations by Investors***", "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 2, 4, 187 and 193 of this Placement Document, respectively.

A. UNITED STATES

The Equity Shares have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Equity Shares are being offered (1) in the United States to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) pursuant to Section 4(a)(2) of the Securities Act and (2) outside the United States in reliance upon Regulation S.

Each purchaser of the Equity Shares will be deemed to have made the representations, agreements and acknowledgements as described under the section titled "Transfer Restrictions".

B. UNITED KINGDOM

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (**FSMA**) received in connection with the issue or sale of any Equity Shares in which section 21(1) of FSMA does not apply to the Issuer has been only communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom. All applicable provisions of FSMA with respect to anything done in relation to the Equity Shares in, from or otherwise involving the United Kingdom has been complied and will be complied with.

C. UAE (Excluding Dubai International Financial Centre)

The Equity Shares have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of securities.

D. DUBAI INTERNATIONAL FINANCIAL CENTRE

The Equity Shares have bot been and will not be offered to any person in the DIFC unless such offer is:

an "Exempt Offer" in accordance with the Markets Rules (MKT) Module of the DFSA rulebook; and made only to persons who meet the "Professional Client" criteria set out in Rule 2.3.2 of the DFSA Conduct of Business Module of the DFSA.

E. AUSTRALIA

This Placement Document and the offer of Equity Shares are only made available in Australia to persons to whom a disclosure document is not required to be given under Chapter 6D of the Australian Corporations Act 2001 (the **Australian Corporations Act**) and has not been and will not be lodged or registered with the Australian Securities & Investments Commission or any other regulatory body or agency in Australia. This Placement Document is not a prospectus, product disclosure statement or any other form of formal "disclosure document" for the purposes of the Australian Corporations Act and is not required to, and does not, contain all the information which would be required in a disclosure document under the Australian Corporations Act. (i) The offer of the Equity Shares under this Placement Document is only made to persons to whom it is lawful to offer the Equity Shares without a disclosure document such as a professional investor or sophisticated investor for the purposes of Chapter 6D of the Australian Corporations Act; (ii) this Placement Document is made available in Australia to persons as set forth in clause (i) above; and (iii) by accepting this offer, the offeree represents that the offeree is such a person as set forth in clause (ii) above and agrees not to sell or offer for sale within Australia any Equity Shares sold to the offeree within 12 months after their transfer to the offeree under this Placement Document.

F. BAHRAIN

No invitation to the public in the Kingdom of Bahrain to subscribe for the Equity Shares will be made and the Placement Document will not be issued, passed to, or made available to the public generally.

G. CANADA

Prospective Canadian investors are advised that the information contained within this Placement Document and any other offering material relating to the Equity Shares has not been prepared with regard to matters that may be of particular concern to Canadian investors. Accordingly, prospective Canadian investors should consult with their own legal, financial and tax advisers concerning the information contained within this Placement Document and any other offering material relating to the Equity Shares and as to the suitability of an investment in the Equity Shares in their particular circumstances.

The offer and sale of the Equity Securities in Canada will only be made under exemptions from the requirement to file a prospectus with the Canadian securities regulators and will be made only by authorized dealer representatives that are properly registered under the laws of the relevant Canadian jurisdictions or, alternatively, that are entitled to rely on exemptions from the dealer registration requirements in the relevant Canadian jurisdictions.

The Equity Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions ("**NI 45-106**") or subsection 73.3(1) of the Securities Act (Ontario), and that are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Equity Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Placement Document or any other offering material constituting an "offering memorandum" under applicable Canadian securities laws (including any amendment to any such documents) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts ("**NI 33-105**"), the parties to this offering, including the Company and the Book Running Lead Managers, are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with an offering of Equity Securities.

Prospective Canadian purchasers are hereby notified that: (a) the Company may be required to provide personal information pertaining to the purchasers as required to be disclosed in Schedule I of Form 45-106F1 under NI 45-106 (including, without limitation, the purchaser's name, address, telephone number and the aggregate purchase price of any Equity Securities purchased) ("**personal information**"), which Form 45-106F1 may be required to be filed by the Company under NI 45-106, (b) such personal information may be delivered to the Ontario Securities Commission (the "**OSC**") in accordance with NI 45-106, (c) such personal information is collected indirectly by the OSC under the authority granted to it under the securities legislation of Ontario, (d) such personal information is collected for the purposes of the administration and enforcement of the securities legislation of Ontario, and (e) the public official in Ontario who can answer questions about the OSC's indirect collection of such personal information is the Administrative Support Clerk at the OSC, Suite 1903, Box 55, 20 Queen Street West, Toronto, Ontario M5H 3S8, Telephone: (416) 593-3684. Prospective Canadian purchasers that purchase Equity Securities in this offering will be deemed to have authorized the indirect collection of the personal information by the OSC, and to have acknowledged and consented to its name, address, telephone number and other specified information, including the aggregate purchase price paid by the purchaser, being disclosed to other Canadian securities regulatory authorities, and to have acknowledged that such information may become available to the public in accordance with requirements of applicable Canadian laws.

Upon receipt of this Placement Document, each Canadian purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Equity Securities described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque acheteur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement."

H. CAYMAN ISLANDS

No offer to invitation has been made and will not, either directly or indirectly, be made to the public in the Cayman Island to subscribe for any Equity Shares.

I. THE PEOPLE'S REPUBLIC OF CHINA

No offer or sale has been made or will be made of the Equity Shares in the PRC (excluding the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan) as part of the initial distribution of the Equity Shares.

J. EUROPEAN ECONOMIC AREA

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), no offer has been made or will be made to the public of any Equity Shares which are the subject of the Issue contemplated by this Placement Document in that Relevant Member State, except that the Equity Shares may be offered to the public in that Member State at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- to any legal entity which is a qualified investor, as defined in the Prospectus Directive (as defined below);

- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Book Running Lead Managers nominated by the Company for any such offer; or

- at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of the Equity Shares shall result in a requirement for the publication by the Issuer or any Book Running Lead Managers of a prospectus or the initial purchaser of a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression **an offer to the public** in relation to any ecurities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any securities to be offered so as to enable an investor to decide to purchase any securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (as amended, including by Directive 2003/71/EC), and includes any relevant implementing measure in the Relevant Member State.

K. HONG KONG

This Placement Document has not been approved by the Securities and Futures Commission in Hong Kong and, accordingly, (i) the Equity Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to ‘‘professional investors’’ as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus’’ as defined in the Companies (Winding up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and no advertisement, invitation or document relating to the Equity Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong), other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to ‘‘professional investors’’ as defined in the Securities and Futures Ordinance and any rules made under that Ordinance has been or will be issued, whether in Hong Kong or elsewhere.

L. JAPAN

The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Act No. 25 of 1948, as amended; the **FIEA**). No offer or sale of any Equity Shares has been made or will be made, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

M. REPUBLIC OF KOREA

The Equity Shares have not been and will not be registered under the Financial Investment Services and Capital Markets Act (the **FSCMA**). No offer, sale or delivery, directly or indirectly, has been made or will be made in Korea or to any Korean resident (as such term is defined in the Foreign Exchange Transaction Law) for a period of one (1) year from the date of issuance of the Equity Shares, except (i) to or for the account or benefit of a Korean resident which falls within certain categories of "professional investors" as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure, in the case that the Equity Shares are issued as bonds other than convertible bonds, bonds with warrants or exchangeable bonds, and where other relevant requirements are further satisfied, or (ii) as otherwise permitted under applicable Korean laws and regulations.

N. KUWAIT

The Equity Shares have not been and will not be offered, sold, promoted or advertised by it in Kuwait other than in compliance with Law No. 7 of 2010 and the bylaws thereto, as amended governing the issue, offering and sale of securities. No private or public offering of the Equity Shares is being made in Kuwait, and no agreement relating to the sale of the Equity Shares will be concluded in Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in Kuwait.

O. MALAYSIA

At issuance, the Equity Shares shall only be offered, sold or otherwise disposed of directly or indirectly to a person to whom an offer or invitation to subscribe the Equity Shares may be made and to whom the Equity Shares are issued which would fall within Schedule 6 or Section 229(1)(b) of the Capital Market and Services Act 2007 (**CMSA**) or Schedule 7 or Section 230(1)(b) of the CMSA read together with Schedule 8 or Section 257(3) of the CMSA at issuance. Thereafter, the Equity Shares shall only be offered, sold, transferred or otherwise disposed of directly or indirectly to a person to whom an offer or invitation to purchase the Equity Shares would fall within Schedule 6 or Section 229(1)(b) of the CMSA read together with Schedule 8 or Section 257(3) of the CMSA.

P. MAURITIUS

No offer or sale of any Equity Shares will be made in Mauritius. Neither this Placement Document, nor any other offering material or information contained herein relating to the offer of the Equity Shares, may be treated as a prospectus for the purpose of the Securities Act 2005 of Mauritius or be released or issued to the public in Mauritius or used in connection with any such offer. Moreover this Placement Document does not constitute an offer made to sell the Equity Shares to the public in Mauritius. For the purpose of the Securities Act 2005 of Mauritius, the Equity Shares will only be issued to sophisticated investors (which term means that they subscribe for a minimum amount of US$200,000 and they are either (i) QIBs in the United States or (ii) qualified investors (as defined in Directive 2003/71/EC, as amended)).

Q. QATAR (excluding Qatar Financial Centre)

No offer, delivery or sale has been made or will be made at any time, directly or indirectly, of any Equity Shares in the State of Qatar, except: (i) in compliance with all applicable laws and regulations of the State of Qatar; and (ii) through persons or corporate entities authorised and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in the State of Qatar.

R. SINGAPORE

This Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore (the **Securities and Futures Act**). Accordingly, the Equity Shares may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this Placement Document or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Equity Shares be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, (b) to a relevant person, or any person pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Each of the following relevant persons specified in Section 275 of the Securities and Futures Act who has subscribed for or purchased shares, namely a person who is:

- a corporation (which is not an accredited investor (as defined in Section 4A of the Securities and Futures Act)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor,

- should note that shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the shares under Section 275 of the Securities and Futures Act except:

    - to an institutional investor under Section 274 of the Securities and Futures Act or to a relevant person or to any person pursuant to Section 275(2) of the Securities and Futures Act, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the Securities and Futures Act;

    - where no consideration is or will be given for the transfer;

    - where the transfer is by operation of law;

    - pursuant to Section 276(7) of the Securities and Futures Act; or

    - as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulation 2005 of Singapore.

S. SWITZERLAND

Swiss professional investors may freely purchase Equity Shares directly from a Book Running Lead Manager which is not resident in Switzerland and/or conducting business activities in or from Switzerland.

Should a Swiss securities book running lead manager be involved in the transaction, such manager must be licensed in such capacity with the Swiss Financial Market Supervisory Authority FINMA (**FINMA**). A securities book running lead manager as a matter of Swiss law is "any natural person, legal entity or partnership who buys and sells securities, in a professional capacity, on the secondary market, either for its own account with the intent of reselling them within a short period of time or for the account of third parties, or makes public offers of securities to the public on the primary market, or creates derivatives and offers them to the public": Article 2(d) of the Federal Law on Stock Exchange and Securities Trading of 24th March, 1995; translation published by SIX Swiss Exchange in the Manual of SIX Swiss Exchange Vol. I. Securities as a matter of Swiss law are "standardised certificates which are suitable for mass trading, rights not represented by a certificate with similar functions (book-entry securities) and derivatives": Article 2(a) of the same Act; translation, *op. cit.*

TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult legal counsel prior to purchasing Equity Shares or making any offer, resale, pledge or transfer of the Equity Shares.

Pursuant to Chapter VIII of the SEBI ICDR Regulations, Succesful Bidder are not permitted to sell the Equity Shares Allotted pursuant to the Issue for a period of one year from the date of Allotment, except on the Stock Exchanges. Additionally, purchasers are deemed to have represented, agreed and acknowledged as below with respect to purchase and sale of Equity Shares.

U.S. Transfer Restrictions

The Equity Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

Each purchaser of the Equity Shares in the United States is deemed to have represented, agreed and acknowledged as follows:

- It (A) is a "qualified institutional buyer" (as defined in Rule 144A) and (B) is aware that the sale of the Equity Shares to it is being made in reliance on an exemption under the Securities Act.

- It is acquiring the Equity Shares for its own account or for the account of one or more eligible U.S. investors (i.e., "qualified institutional buyers", as defined above), each of which is acquiring beneficial interests in the Equity Shares for its own account.

- It understands that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the Securities Act, that the Equity Shares have not been and will not be registered under the Securities Act and that if in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares, such Equity Shares may be offered, resold, pledged or otherwise transferred in compliance with the Securities Act and other applicable securities laws only outside the United States in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S or in a transaction otherwise exempt from the registration requirements of the Securities Act.

- It will notify any transferee to whom it subsequently offers, sells, pledges or otherwise transfers and the executing broker and any other agent involved in any resale of the Equity Shares of the foregoing restrictions applicable to the Equity Shares and instruct such transferee, broker or agent to abide by such restrictions.

- It acknowledges that if at any time its representations cease to be true, it agrees to resell the Equity Shares at our Company's request.

- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. It is experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions. It and any accounts for which it is subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company or any of the Book Running Lead Managers for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Equity Shares. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. It is seeking to subscribe to the Equity Shares in this Issue for its own investment and not with a view to distribution.

- It has been provided access to the Placement Document and the Placement Document which it has read in its entirety.

- It agrees to indemnify and hold our Company and each of the Book Running Lead Managers harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations and warranties. It will not hold any of our Company or the Book Running Lead Managers liable with respect to its investment in the Equity Shares. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.

- Where it is subscribing to the Equity Shares for one or more managed accounts, it represents and warrants that it is authorised in writing, by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

- It acknowledges that our Company and the Book Running Lead Managers and their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements is no longer accurate, it will promptly notify our Company and the Book Running Lead Managers.

Each purchaser of the Equity Shares outside the United States is deemed to have represented, agreed and acknowledged as follows:

- It is authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations.

- It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that the Equity Shares are being issued in reliance upon Regulation S and such Equity Shares have not been and will not be registered under the Securities Act.

- It certifies that either (A) it is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares and is located outside the United States (within the meaning of Regulation S) or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, and (ii) such customer is not located outside the United States (within the meaning of Regulation S).

- It is aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S.

- The Equity Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.

- It understands that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the Securities Act, that the Equity Shares have not been and will not be registered under the Securities Act and that if in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares, such Equity Shares may be offered, resold, pledged or otherwise transferred in compliance with the Securities Act and other applicable securities laws only outside the United States in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S or in a transaction otherwise exempt from the registration requirements of the Securities Act.

- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. It is experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions. It and any accounts for which it is subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company or any of the Book Running Lead Managers for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, and (iv) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the

Equity Shares. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. It is seeking to subscribe to the Equity Shares in this Issue for its own investment and not with a view to distribution.

- It agrees to indemnify and hold our Company and each of the Book Running Lead Managers harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations and warranties. It will not hold any of our Company or the Book Running Lead Mangers liable with respect to its investment in the Equity Shares. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.

- Where it is subscribing to the Equity Shares for one or more managed accounts, it represents and warrants that it is authorised in writing, by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

- It acknowledges that our Company and the Book Running Lead Managers and their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements is no longer accurate, it will promptly notify our Company and the Book Running Lead Managers.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the Book Running Lead Managers or any of their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. The BSE and the NSE together hold a dominant position among the stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges Regulation

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 ("**SCR (SECC) Rules**"), which regulates *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Rules along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, delisting of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign institutional investors, foreign portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

Listing and Delisting of Securities

The listing of securities on a recognized Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013, the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by SEBI and the SEBI Listing Regulations. The SCRA empowers the governing body of each recognized stock exchange to, amongst other things, suspend trading of, or withdraw admission to dealings in, a listed security for breach of or non-compliance with any conditions or breach of a company's obligations under the SEBI Listing Regulations or for any reason, subject to our company receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule decisions by the governing body of the stock exchanges and withdraw recognition of a recognized stock exchange.

All listed companies are required to ensure a minimum public shareholding of 25%. Further, where the public shareholding in a listed company falls below 25% at any time, such company is required to bring the public shareholding to 25% within a maximum period of 12 months from the date of such fall. Consequently, a listed company may be delisted from the stock exchanges for not complying with the above-mentioned requirement. Our Company is in compliance with this minimum public shareholding requirement.

Delisting

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 in relation to the voluntary and compulsory delisting of equity shares from the stock exchanges which were significantly modified in 2015. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Disclosures under the Companies Act, 2013 and the SEBI Listing Regulations

Public limited companies are required under the Companies Act and the SEBI Listing Regulations to prepare, file with the registrar of companies and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance under the Companies Act, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the SEBI Listing Regulations.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the S&P CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise bands of up to 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. It has evolved over the years into its present status as one of the premier stock exchanges of India. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of the SEBI, with effect from August 19, 2005, the BSE was incorporated as a company under the Companies Act, 1956.

NSE

The NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. The NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI and other applicable laws. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Trading Hours

Trading on both the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m. that has been introduced recently). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work.

NSE has introduced a fully automated trading system called National Exchange for Automated Trading ("**NEAT**"), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

Takeover Regulations

Disclosure and mandatory open offer obligations for listed Indian companies are governed by the Takeover Regulations which provide specific regulations in relation to substantial acquisitions of shares and control. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the Takeover Regulations will apply to any acquisition of our company's shares/voting rights/control. The Takeover Regulations prescribes certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition. Since our Company is an Indian company, the provisions of the Takeover Regulations apply to our Company.

Insider Trading Regulations

The SEBI Insider Trading Regulations, 2015 have been notified to prohibit and penalise insider trading in India. An insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information.

The SEBI Insider Trading Regulations, 2015 also provide disclosure obligations for promoters, employees and directors, with respect to their shareholding in our company, and the changes therein. The definition of "insider" includes any person who is a connected person or in possession of, or having access to, unpublished price sensitive information.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI framed regulations in relation to the registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is information relating to the Equity Shares including a brief summary of the Memorandum and Articles of Association and the Companies Act. Prospective investors are urged to read the Memorandum and Articles of Association carefully, and consult with their advisers, as the Memorandum and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

Share capital

The authorized share capital of our Company is ₹ 3,123,000,000 divided into 2,873,000,000 Equity Shares of ₹ 1/- each and 25,000,000 preference shares of ₹ 10/- each. Prior to the Issue, the issued, subscribed and paid-up share capital of our Company is ₹ 1,340,641,500, comprising 1,340,641,500 Equity Shares of ₹ 1/- each. For further details please see section "***Capital Structure***" on page 75 of this Placement Document.

Dividends

Under Indian law, a company pays dividends upon a recommendation by its board of directors and approval by a majority of the shareholders at the AGM held each Fiscal. Under the Companies Act, 2013, unless the board of directors of a company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare a dividend. Subject to certain conditions laid down by Section 123 of the Companies Act, 2013 no dividend can be declared or paid by a company for any Fiscal except out of the profits of our company for that year, calculated in accordance with the provisions of the Companies Act or out of the profits of our company for any previous Fiscal(s) arrived at as laid down by the Companies Act.

Further, as per the Companies (Declaration and Payment of Dividend) Rules, 2014, in the absence of profits in any year, company may declare dividend out of surplus, provided: (a) the rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year; (b) the total amount to be drawn from such accumulated profits shall not exceed one-tenth of the sum of its paid up share capital and free reserves as per the latest audited balance sheet; (c) the amount so drawn shall be first utilized to set off the losses incurred in the financial year in which the dividend is declared before any dividend in respect of equity shares is declared; and (d) the balance of reserves after such withdrawal shall not fall below 15% of its paid up share capital as per the latest audited balance sheet of our company.

In terms of Section 124 of the Companies Act 2013, our Company shall credit such unclaimed dividends to the unpaid dividend account of our Company, and any money transferred to the unclaimed dividend account of our Company which remains unpaid and unclaimed for a period of seven years from the date they became due for payment, shall be transferred by our Company to the 'Investor Education and Protection Fund', established by the GoI, in accordance with Section 125 of the Companies Act 2013.

Capitalization of Profits

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Companies Act 2013 permits the board of directors of a company to issue fully paid up bonus shares to its members out of (a) the free reserves of our company, (b) the securities premium account, or (c) the capital redemption reserve account. However, a company may capitalize its profits or reserves for issue of fully paid up bonus shares, provided: (a) its authorized by articles, (b) it has been, on the recommendation of the board of directors, approved by the shareholders in a general meeting, (c) it has not defaulted in payment of interest or principal in respect of fixed deposits or debt securities issued by it, (d) it has not defaulted on payment of statutory dues, (e) there are no partly paid shares. The issue of bonus shares once declared cannot be withdrawn.

These bonus shares must be distributed to shareholders in proportion to the number of ordinary shares owned by them as recommended by the board of directors. No issue of bonus shares may be made by capitalizing reserves created by revaluation of assets, and no bonus shares shall be issued in lieu of dividend. Further, any issue of bonus shares would be subject to SEBI ICDR Regulations.

Pre-Emptive Rights and Alteration of Share Capital

Subject to the provisions of the Companies Act, our Company may increase its share capital by issuing new shares on such terms and with such rights as it, by action of its shareholders in a general meeting may determine. According to Section 62(1)(a) of the Companies Act 2013 such new shares shall be offered to existing shareholders in proportion to the amount paid up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. After such date the board may dispose of the shares offered in respect of which no acceptance has been received which shall not be disadvantageous to the shareholders of our Company. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person.

Under the provisions of Section 62(1)(c) of the Companies Act 2013, new shares may be offered to any persons whether or not those persons include existing shareholders, either for cash of for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed, if a special resolution to that effect is passed by our Company's shareholders in a general meeting.

The Articles of Association authorise us to increase our authorised capital by issuing new shares consisting of equity and/or preference shares, as our Company may determine in a general meeting.

The Articles of Association provide that our Company, subject to compliance with requirements under the Companies Act and the rules thereto, or any other applicable law in force in the general meeting, from time to time, may reclassify, consolidate or sub-divide its share capital. The Articles of Association also provide that our Company may issue shares with differential rights as to dividend, the distribution of assets of the Company, winding up and voting or otherwise, subject to the compliance with requirements under the Companies Act and the rules thereto, or any other applicable law in force.

General Meetings of Shareholders

There are two types of general meetings of the shareholders, namely, AGM and EGM. Our Company is required to hold its AGM within six months after the expiry of each Fiscal provided that not more than 15 months shall elapse between one AGM and next one, unless extended by the RoC at its request for any special reason for a period not exceeding three months. Our Board of Directors may convene an EGM when necessary or at the request of a shareholder or shareholders holding in the aggregate not less than one tenth of our Company's issued paid up capital (carrying a right to vote in respect of the relevant matter on the date of receipt of the requisition).

Notices, along with statement containing material facts concerning each special item, either in writing or through electronic mode, convening a meeting setting out the date, day, hour, place and agenda of the meeting must be given to every member or the legal representative of a deceased member, auditors of our company and every director of our company, at least 21 clear days prior to the date of the proposed meeting. A general meeting may be called after giving shorter notice if consent is received, in writing or electronic mode, from not less than 95% of the shareholders entitled to vote. Unless, the Articles of Association provide for a larger number, (i) five shareholders present in person, if the number of shareholders as on the date of meeting is not more than 1,000; (ii) 15 shareholders present in person, if the number of shareholders as on the date of the meeting is more than 1,000 but up to 5,000; and (iii) 30 shareholders present in person, if the number of shareholders as on the date of meeting exceeds 5,000, shall constitute a quorum for a general meeting of our Company, whether AGM or EGM. The quorum requirements applicable to shareholder meetings under the Companies Act have to be physically complied with.

A company intending to pass a resolution relating to matters such as, but not limited to, amendment in the objects clause of the Memorandum, the issuing of shares with different voting or dividend rights, a variation of the rights attached to a class of shares or debentures or other securities, buy-back of shares, giving loans or extending guarantees in excess of limits prescribed, is required to obtain the resolution passed by means of a postal ballot instead of transacting the business in our Company's general meeting. A notice to all the shareholders shall be sent along with a draft resolution explaining the reasons therefor and requesting them to send their assent or dissent in writing on a postal ballot within a period of 30 days from the date of posting the letter. Postal ballot includes voting by electronic mode.

Voting Rights

At a general meeting, upon a show of hands, every member holding shares and entitled to vote and present in person has one vote. Upon a poll, the voting rights of each shareholder entitled to vote and present in person or by proxy is in the same proportion as the capital paid up on each share held by such holder bears to our

Company’s total paid up capital. Voting is by a show of hands, unless a poll is ordered by the Chairman of the meeting The Chairman of the meeting has a casting vote.

Ordinary resolutions may be passed by simple majority of those present and voting. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution. A shareholder may exercise his voting rights by proxy to be given in the form required by the Articles of Association. The instrument appointing a proxy is required to be lodged with our Company at least 48 hours before the time of the meeting. A proxy may not vote except on a poll and does not have a right to speak at meetings.

Registration of Transfers and Register of Members

Our Company is required to maintain a register of members wherein the particulars of the members of our Company are entered. For the purpose of determining the shareholders, entitled to corporate benefits declared by our Company, the register may be closed for such period not exceeding 45 days in any one year or 30 days at any one time at such times, as the Board of Directors may deem expedient in accordance with the provisions of the Companies Act. Under the Listing Regulations of the stock exchanges on which our Company’s outstanding Equity Shares are listed, our Company may, upon at least seven working days’ (excluding the date of intimation and the record date) advance notice to such stock exchanges, set a record date and/or close the register of shareholders in order to ascertain the identity of shareholders. The trading of Equity Shares and the delivery of certificates in respect thereof may continue while the register of shareholders is closed.

Liquidation Rights

The Articles of Association of our Company provide that if our Company is wound up, and the assets available for distribution among the members as such are insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up, on the shares held by them respectively. If in the winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed among the members in proportion to the capital paid up, at the commencement of the winding up, or which ought to have been paid up on the shares held by them respectively.

If our Company is wound up, whether voluntarily or otherwise, the liquidators may, with the sanction of a special resolution, divide among the members, in specie or kind, any part of the assets of our Company, and may, with the like sanction, vest any part of the assets of our Company in trustees upon such trusts for the benefit of the members, or any of them, as the liquidators, with the like sanction, shall think fit.

TAXATION

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

<u>For the kind attention of the Board of Directors</u>

To
The Board of Directors
Motherson Sumi Systems Limited
Plot No. 1, Sector 127
Noida-Greater Noida Expressway
Noida-201301

Auditors Report on statement of possible tax benefits available to Motherson Sumi Systems Limited and its shareholders

1. This report is issued in accordance with the terms of our agreement dated September 05, 2016.

2. The accompanying statement of possible tax benefits (the "Statement") available to Motherson Sumi Systems Limited ("MSSL" or the "Company") and its shareholders under the Income-tax Act, 1961 (read with Income-tax Rules, circulars, notifications) as amended by Finance Act, 2016 (hereinafter referred to as the "Income Tax"), has been prepared by the Management of the Company for the specific purpose of filing the same along with Preliminary Placement Document prepared pursuant to the requirements of Section 42 of the Companies Act, 2013 (hereinafter referred to as the "Act") in connection with the private placement of Equity Shares of the Company (the "Issue"), which we have initialled for identification purposes only.

Management's Responsibility for the Statement

3. The preparation of the Statement, which is to be included in the placement document, is the responsibility of the Director of the Company and has been approved by the Board of Directors vide circular resolution on September 06, 2016. The Board of Directors' responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditor's Responsibility

4. Our work has been carried out in accordance with Standards on Auditing and as per the Guidance Note on Audit Reports and Certificates for Special Purposes issued by the Institute of Chartered Accountant of India. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act.

Inherent Limitation

5. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information.

   Several of the benefits mentioned in the accompanying statement are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled. The benefits discussed in the accompanying statement are not exhaustive.

The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.

Further, we give no assurance that the Revenue authorities/ Courts will concur with our views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

Opinion

In our opinion, the Statement presents, in all material respects, the possible benefits available as of September 05, 2016 to the Company and its shareholders, in accordance with the Income Tax and Wealth Tax Acts together with the Rules prescribed thereunder.

Considering the matter referred to in paragraph 5 above, we are unable to express any opinion or provide any assurance as to whether:

(i) The Company or its shareholders will continue to obtain the benefits as per the Statement in future; or
(ii) The conditions prescribed for availing the benefits per the Statement have been/ would be met with.

Restriction on Use

Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as auditors of any financial statements of the Company.

This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the preliminary placement document to be filed by the Company with Securities and Exchange Board of India in connection with the proposed Issue. Our work and findings shall in no way constitute advice or recommendations (and we accept no liability in relation to any advice or recommendations) regarding any commercial decisions associated with the Issue. We accept no liability to anyone, other than to you, in connection with our report, unless otherwise agreed by us in writing.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Rajib Chatterjee
Partner
Membership Number: 057134

Place: Gurgaon
Date: September 08, 2016

STATEMENT OF DIRECT TAX BENEFITS AVAILABLE TO MOTHERSON SUMI SYSTEMS LIMITED ('MSSL' OR 'THE COMPANY' OR 'THE ISSUER COMPANY') AND ITS PROSPECTIVE SHAREHOLDERS

A. Under the Income-tax Act, 1961 ('the Act')

I. TAX BENEFITS AVAILABLE TO THE ISSUER COMPANY BASED ON ITS CURRENT BUSINESS

The Issuer Company is engaged primarily in the manufacture and sale of components to automotive original equipment manufacturers. Accordingly, the following key direct tax benefits may be available to the Company and its prospective shareholders under the extant direct tax laws[1] in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax provisions. Hence, the ability of the Company or its shareholders to obtain the tax benefits/deductions under the Income-tax Act, 1961 (Act) read with Income-tax Rules, circulars, notifications as amended by Finance Act, 2016 presently in force in India, is subject to fulfillment of conditions as laid down under the respective sections of the Act read with Rules. Whilst the benefits mentioned hereunder would be available to the company, nevertheless, the company would still be subject to minimum alternate tax (MAT) on its book profits as per the provisions of section 115JB of the Act.

1. Under section 10AA of the Act, subject to fulfillment of prescribed conditions, the Company would be entitled to avail a profit linked deduction in respect of its entire profits derived from the export of goods and services from a unit established in a Special Economic Zone (SEZ) for a period of five consecutive years beginning with the year in which the goods are manufactured or services are provided by the Company. Such deduction is restricted to 50% of such profits from exports for the succeeding ten consecutive years (for last five years, deduction is available subject to transfer of profits to SEZ re-investment reserve account). Such deduction shall be phased out for units beginning to manufacture goods or provide services from the eligible unit on or after April 01, 2020.

2. Under section 32AC of the Act, subject to fulfillment of prescribed conditions, the Company would be entitled to claim an investment allowance at the rate of 15% of the actual cost (exceeding Rs. 25 crores) of new plant and machinery (other than ship or aircraft and other specified exclusions) acquired and installed on or before March 31, 2017. No such deduction shall be allowed after March 31 2017.

3. Under the provisions of section 32AD of the Act, subject to fulfillment of prescribed conditions, the Company would be entitled to claim a deduction amounting to 15% of the actual cost of new plant and machinery (other than ships and aircraft and specified exclusions) acquired and installed for the purposes of a manufacturing undertaking set up in notified backward areas before April 1, 2020.

4. Under section 35(2AB) of the Act, subject to fulfillment of prescribed conditions, the Company would be eligible to claim a weighted deduction of two hundred percent of the expenditure incurred on scientific research (other than cost of land and building) on in-house scientific research & development facility subject to approval of the prescribed authority. Such weighted deduction (subject to approval of the prescribed authority) will be restricted to one hundred and fifty percent of such scientific research expenditure incurred during the financial year 2017-18 through financial year 2019-20 and to hundred percent of such scientific research expenditure incurred from financial year 2020-21 onwards. In respect of the expenditure incurred on scientific research (including capital expenditure other than expenditure on land) other than on in-house scientific research facility, deduction is allowed under section 35(1)(iv) of the Act.

[1] Refer to Notes appended to the Statement

5. Under section 35AC of the Act, subject to fulfillment of other prescribed conditions, the company would be entitled to avail a deduction of expenditure incurred by the company directly on eligible projects/scheme or by way of contribution to a public sector Company or local authority or an association/ institution approved by a prescribed for carrying out eligible projects/scheme. No such deduction under this section would be available from financial year 2017-18 onwards.

6. Under the provisions of section 35CCA of the Act, subject to fulfillment of prescribed conditions, the Company would be entitled to a deduction in respect of the expenditure incurred by way of payment of any sum to the association/institution for carrying out rural development programme approved by the prescribed authority or to Rural Development Fund/ National Urban Poverty Eradication Fund notified by Central Government.

7. Under the provisions of section 35CCC of the Act, subject to fulfillment of prescribed conditions, the Company would be entitled to a weighted deduction of one hundred and fifty percent of the expenditure incurred on notified agricultural extension project. However, w.e.f. financial year 2020-21, such weighted deduction shall not be available to the Company, thus, restricting the amount of deduction available to the extent of actual expenditure incurred by the Company.

8. Under the provisions of section 35CCD of the Act, subject to fulfillment of prescribed conditions, the Company would be entitled to a weighted deduction of one hundred and fifty percent of the expenditure incurred (excluding the expenditure on land and building) on notified skill development project. However, w.e.f. financial year 2020-21, such weighted deduction shall not be available to the Company, thus, restricting the amount of deduction available to the extent of actual expenditure incurred by the Company.

9. Under the provisions of section 80IE of the Act, subject to fulfillment of other conditions, the Company would be entitled to deduction of its profits derived by an undertaking from its gross total income for a period of ten years if its begins to undertake manufacturing operations in respect of eligible article/thing in notified North Eastern States before April 1, 2017.

10. Under section 80JJAA of the Act, subject to fulfillment of prescribed conditions, the Company would be entitled to claim a deduction from its gross total income, of 30 % of the additional employee cost (emoluments paid/payable to additional employees employed) incurred in a year for three years starting from the year in which the employment is provided. Further, no such deduction is available in respect of employees where his/her total emoluments (excluding contribution to provident fund, pension fund or any other fund for the benefit of the employee) is more than Rs. 25000 per month or where the employee is employed for less than 240 days in a year or where an employee does not participate in recognized provident fund. .

11. Under the provisions of section 115QA of the Act, a domestic Company is liable to pay additional income tax at the rate of 20% (plus applicable surcharge and cess) on the distributed income on buy back of shares of such domestic Company. However, the said provisions do not apply to the listed shares and thus, would not apply to the issuer Company. Therefore, any buy back of shares by the issuer Company would not be subject to such buy back tax (tax on distributed income) under the provisions of section 115QA of the Act.

II. OTHER TAX BENEFITS TO THE ISSUER COMPANY

Subject to the fulfillment of conditions prescribed under the sections mentioned hereunder read with Rules hereunder, the Company would be eligible, *inter-alia*, for the following specified exemptions/ deductions/benefits in respect of income chargeable as Capital Gains and Dividend income. Whilst the benefits mentioned hereunder would be available to the Company, nevertheless, the Company would still be subject to minimum alternate tax (MAT) on its book profits as per the provisions of section 115JB of the Act.

1. Deductions/exemptions/benefits available while computing capital gains

1.1. As per section 10(38) of the Act, the Company would be entitled to an exemption from tax in respect of long-term capital gains arising from sale of equity shares or units of equity oriented mutual fund (equity oriented mutual funds are those funds where more than sixty five percent of the investible funds are invested in equity shares of domestic companies), provided that the transaction of sale of such equity shares or units has happened on a recognized stock exchange in India and is chargeable to Securities Transaction Tax ("STT"). The shares/units would be considered as long term capital assets provided they are held for a period exceeding 12 months.

However, such income shall be taken into account while computing the book profits under section 115JB of the Act.

1.2. As per section 111A of the Act, short-term capital gains on sale of equity shares or units of an equity oriented fund, where the transaction of such sale is subject to STT (as explained in para 1.1 above), would be chargeable to income-tax at a concessional rate of 15% (plus applicable surcharge and education cess). Further, short term capital gains other than covered under section 111A of the Act would be taxed at normal rates as may be applicable.

1.3. As per section 112 of the Act and other relevant provisions of the Act, long term capital gains arising on transfer of listed securities excluding units (other than those covered in para 1.1 above i.e. which are exempt) or zero coupon bonds (listed securities and zero coupon bonds would be considered as long term capital assets provided they are held for a period exceeding 12 months), would be taxed at a rate of 20% (plus applicable surcharge and education cess) after indexation, as provided in the second proviso to section 48 of the Act, or at 10% (plus applicable surcharge and education cess) without indexation, whichever is less. However, Bonds and debentures are not subject to indexation benefits under second proviso to section 48 of the Act.

1.4. As per section 112 of the Act and other relevant provisions of the Act, long term capital gains arising on transfer of unlisted securities would be taxed at a rate of 20% (plus applicable surcharge and education cess) subject to indexation benefit. Unlisted securities would be considered as long term capital asset provided they are held for a period exceeding 36 months. However, shares of a Company (not listed on recognized stock exchange of India) would be considered as long term capital asset provided they are held for a period exceeding 24 months.

1.5. As per section 54EC of the Act and subject to the conditions specified therein, long-term capital gains [not exempt under section 10(38)], can be claimed as exempt from tax to the extent such capital gains are invested in certain notified bonds (currently, bonds issued by National Highways Authority of India and Rural Electrification Corporation Limited have been notified for this purpose) within six months from the date of transfer. If only part of the capital gains is so reinvested, the exemption shall be allowed proportionately. However, it is also provided under section 54EC of the Act that investments made in a financial year and year subsequent to it should not exceed Indian Rupees Five Million. Further, it may be noted that if such bonds are transferred or converted into money (availing loan or advance on the security of such bonds would be considered as conversion into money for this purpose), within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier, would become chargeable to tax as long-term capital gains in the year in which the bonds are so transferred or converted into money.

1.6. As per section 54EE of the Act and subject to the conditions specified therein, long-term capital gains [not exempt under section 10(38)], can be claimed as exempt from tax to the extent such capital gains are invested in certain units of a startup fund to be notified by the Central Government, within six months from the date of transfer. If only part of the capital gains is so reinvested, the exemption shall be allowed proportionately. However, it is also provided under section 54EE of the Act that investments made in a financial year and year subsequent to it should not exceed Indian Rupees Five Million.

2. Deductions/exemptions/benefits available in respect of Dividend income

2.1. As per section 10(34) of the Act, the Company would be eligible for an exemption in respect of income by way of dividend (interim or final) referred to in section 115-O of the Act, received from a domestic Company.

2.2. As per section 115-O(1) of the Act, the Company is required to pay Dividend Distribution Tax (tax on distributed profits) at a rate of 15% (plus applicable surcharge and education cess) on amount declared, distributed or paid by way of dividends (whether interim or otherwise). Further, under the provisions of section 115-O(1B) of the Act, the said amount of dividends would need be grossed up by applicable tax rate of 15% which would result in increase in the effective rate of Dividend Distribution Tax (DDT).

Further, as per Section 115-O(1A) of the Act, for the purposes of computing DDT, the Company would be eligible to reduce from such dividend, the amount of dividend received from its subsidiary companies on which DDT has been paid, subject to fulfillment of prescribed conditions.

2.3. As per section 115BBD(1) of the Act, the dividend received by the Company from a foreign Company (where the equity stake of the Company is 26 percent or more) would be chargeable to tax in the hands of the Company at the rate of 15% (plus applicable surcharge and education cess). As per section 115-O(1A) of the Act, subject to fulfillment of conditions, the amount of dividends chargeable to DDT would be reduced by the amount of dividends received from the foreign subsidiary which are taxable under section 115BBD of the Act. Further, as per section 115BBD(2), no deduction would be allowed in respect of expenditure incurred in earning such dividend. Further, credit of taxes, if any, paid in the country of residence of the Company paying dividend may need to be considered based on specific provisions of tax treaty entered into between India and such country read with rules under the Income Tax Rules, 1962.

2.4. As per section 10(35) of the Act, the Company would be eligible for an exemption in respect of the income received from units of mutual funds specified under section 10(23D) of the Act.

3. Other deductions/exemptions/benefits

3.1. As per section 115JAA (1A) of the Act, the Company is eligible for a tax credit of any tax paid under section 115JB of the Act ('Minimum Alternate Tax' or 'MAT'). Credit eligible for carry forward is the difference between MAT and the tax computed as per the normal provisions of the Act. Such tax credit shall not be available for set-off beyond 10 years succeeding the year in which the tax credit becomes available. Further, no interest is payable on the tax credit allowed. The Company shall be eligible to 'set-off' the tax credit only to the extent of the difference between the tax payable under the normal provisions of the Act and MAT in the year of set-off.

3.2. In accordance with the provisions of section 90 of the Act, the Company may choose to apply the provisions of Act or the provisions of tax treaty entered into by India with other foreign countries, whichever are more beneficial. Also, subject to the provisions of Act read with Rules thereunder and the tax treaty, the Company can claim foreign tax credit in India in respect of doubly taxed income (i.e. where taxes are paid on same income in India as well as outside India).

3.3. Under the provisions of section 32(1)(iia) of the Act, subject to fulfillment of the prescribed conditions, Company would be entitled to claim an additional depreciation @ 20 percent of the actual cost of new plant and machinery (other than ships and aircraft and other specified exclusions) acquired and installed during the year. Further, if the Company sets up a manufacturing undertaking in notified backward areas and acquires and installs eligible new plant and machinery for the purposes of the said undertaking before April 1, 2020, the Company can claim additional depreciation at the rate of 25% of actual cost of such new plant and machinery.

3.4. As per the provisions of section 80G of the Act, the Company would be entitled for a deduction from its gross total income, of qualifying amount in respect of specified donations. Further, for donations exceeding Rs. Ten Thousand, no deduction shall be allowed unless the sum is paid by any mode other than cash.

III. OTHER TAX BENEFITS TO THE SHAREHOLDERS

1. To all shareholders

1.1. The provisions of section 56(2)(viia) relating to taxation of notional income in the hands of shareholders on receipt of shares of a closely held Company for a consideration which is lower than fair market value of such shares is not applicable as the issuer Company is a widely held Company under the Act.

1.2. Under the provisions of section 46A read with section 10(34A) of the Act, the shareholders of a listed Company are chargeable to capital gains tax on account of buy back of shares by the Company. However, under the provisions of section 10(38) of the Act, any long term capital gains accruing to the shareholders on sale of shares of listed company being subject to securities transaction tax and where the transaction of sale of such shares of the listed company happened on a recognized stock exchange in India and in accordance with regulations of SEBI in this regard, there shall be no capital gains liability arising in the hands of shareholders of such listed company.

1.3. As per section 10(34) of the Act, the shareholders would be eligible for an exemption in respect of income by way of dividend (interim or final) referred to in section 115-O of the Act, received on shares from a domestic company. However, as per section 115BBDA of the Act, dividends earned by a resident individual, firm, or a HUF (Hindu Undivided family) from a domestic company in excess Rs. 10 lakhs are subject to tax @10 percent. This is over and above the DDT paid by the Company on such dividends.

1.4. As per section 10(38) of the Act, long-term capital gains arising from sale of equity shares are exempt provided that the transaction of sale of such equity shares has happened on Recognized Stock Exchange in India and is chargeable to Securities Transaction Tax ("STT"). The shares would be considered as long term capital assets provided they are held for a period exceeding 12 months.

However, such income shall be taken into account while computing the book profits under section 115JB of the Act (applicable only to companies). However, the provisions of section 115JB of the Act would not be applicable to a foreign company being resident of a country with which India has a tax treaty and where such foreign company does not have a permanent establishment in India in accordance with the provisions of such tax treaty. Further, in the event the provisions of section 115JB of the Act apply to a foreign company, any capital gains accruing to a foreign company shall be reduced from the book profits if such capital gains are liable to tax at a rate less than 18.5%.

1.5. As per section 111A of the Act, short-term capital gains on sale of equity shares, where the transaction of such sales is subject to STT, shall be chargeable to income-tax at a concessional rate of 15% (plus applicable surcharge and education cess). The short term capital gains not covered under section 111A of the Act would be taxed at normal rates as may be applicable.

2. To resident shareholders

In addition to the tax benefits specified in para 1 above, following concessions would be available to the resident shareholders.

2.1. As per section 112 of the Act and other relevant provisions of the Act, long term capital gains arising on transfer of listed securities (listed securities would be considered as long term capital assets provided they are held for a period exceeding 12 months) other than those covered in para 1.2 above i.e. which are exempt, would be taxed at a rate of 20% (plus applicable surcharge and education cess) after indexation, as provided in the second proviso to section 48 of the Act, or at 10% (plus applicable surcharge and education cess) without indexation, whichever is less.

2.2. As per section 54EC of the Act and subject to the conditions specified therein, long-term capital gains [not exempt under section 10(38)], can be claimed as exempt from tax to the extent such capital gains are invested in certain notified bonds (currently bonds issued by National Highways Authority of India and Rural Electrification Corporation Limited have been notified for this purpose) within six months from the date of transfer. If only part of the capital gains is so reinvested, the exemption shall be allowed proportionately. However, it is also provided under section 54EC that investments made during the financial year and the year subsequent to it, should not exceed Indian Rupees five million during any financial year. Further, it may be noted that if such bonds are transferred or converted into money (availing loan or advance on the security of such bonds would be considered as conversion into money for this purpose), within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier, would become chargeable to tax as long-term capital gains in the year in which the bonds are so transferred or converted into money.

2.3. As per section 54EE of the Act and subject to the conditions specified therein, long-term capital gains [not exempt under section 10(38)], can be claimed as exempt from tax to the extent such capital gains are invested in certain units of a startup funds to be notified by the Central Government, within six months from the date of transfer. If only part of the capital gains is so reinvested, the exemption shall be allowed proportionately. However, it is also provided under section 54EE that investments made in a financial year and year subsequent to it should not exceed Indian Rupees five million.

2.4. As per section 54F of the Act and subject to the conditions specified therein, long term capital gains arising to an individual or Hindu Undivided Family (HUF), for instance, on transfer of shares of the Company, will be exempt from capital gains tax, if the net consideration from sale of shares is used for purchase of residential house property within a period of one year before or two years after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer. Other conditions such as ownership of not more than one house property, etc. needs to be fulfilled. Further, it may be noted that if such house property is transferred within a period of three years from the date of its purchase, or as the case may be its construction, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the new house property is transferred.

3. To non-resident shareholders (other than Foreign Institutional Investors and Foreign Venture Capital Investors)

In addition to the tax benefits specified in para 1 above, following are the concessions that would be available to the non-resident shareholders.

3.1. As per section 90 of the Act, the non-resident shareholders, who are entitled (subject to furnishing of Tax Residency Certificate and declaration in prescribed Form 10F) to claim treaty benefits, would be entitled to choose the provisions of the Act or the provisions of tax treaty entered into by India with other foreign countries, whichever are more beneficial, while determining its taxability in India.

3.2. A non-resident Indian (i.e. an individual being a citizen of India or person of Indian origin) has an option of being governed by the provisions of Chapter XII-A of the Act, which *inter-alia* entitles them to the following benefits in respect of income from shares of an Indian company acquired, purchased or subscribed in convertible foreign exchange.

a) As per section 115D read with section 115E of the Act and subject to the conditions specified therein, long-term capital gains arising on transfer of shares in an Indian company which are not exempt under section 10(38) of the Act, will be subject to income-tax at the rate of 10% (plus applicable surcharge and education cess) without indexation benefit.

b) As per section 115F of the Act and subject to the conditions specified therein, gains arising on transfer of a long-term capital asset being shares in an Indian company (shares would be considered as long term capital assets provided they are held for a period exceeding 12 months) shall not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset or specified savings certificates. If part of such net consideration is invested within the prescribed period of six months in any specified asset (for instance, shares in Indian company) or specified savings certificate, the exemption will be allowed on a proportionate basis. The amount so exempted shall be chargeable to tax subsequently, if the specified assets or any such savings certificates are transferred or converted into money within three years from the date of their acquisition.

c) As per section 115G of the Act, non-resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their source of income is only investment income and/or long-term capital gains defined in section 115C of the Act, provided income-tax has been deducted at source from such income as per the provisions of chapter XVII-B of the Act.

d) As per section 115-I of the Act, a non-resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income for that assessment year under section 139 of the Act, declaring therein that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.

3.3. As per the first proviso to section 48 of the Act, in case of a non-resident, in computing the capital gains arising from transfer of shares of the Company acquired in convertible foreign exchange (as per exchange control regulations) protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. However, cost indexation benefit will not be available in such a case while computing the capital gains.

3.4. As per section 112 of the Act and other relevant provisions of the Act and basis certain judicial rulings, long term capital gains arising on transfer of listed securities other than those covered in para 1.2 above (shares would be considered as long term capital assets provided they are held for a period exceeding 12 months), would be taxed at a rate of 10% (plus applicable surcharge and education cess) without indexation benefit, as provided in the second proviso to section 48 of the Act.

3.5. As per section 54EC of the Act and subject to the conditions specified therein, long-term capital gains [not exempt under section 10(38)], can be claimed as exempt from tax to the extent such capital gains are invested in certain notified bonds (currently bonds issued by National Highways Authority of India and Rural Electrification Corporation Limited have been notified for this purpose) within six months from the date of transfer. If only part of the capital gains is so reinvested, the exemption shall be allowed proportionately. However, it is also provided under section 54EC that investments made during a financial year and year subsequent to it, should not exceed Indian Rupees five million during any financial year. Further, it may be noted that if such bonds are transferred or converted into money (availing loan or advance on the security of such bonds would be considered as conversion into money for this purpose), within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier, would become chargeable to tax as long-term capital gains in the year in which the bonds are so transferred or converted into money.

3.6. As per section 54EE of the Act and subject to the conditions specified therein, long-term capital gains [not exempt under section 10(38)], can be claimed as exempt from tax to the extent such capital gains are invested in certain units of a startup funds to be notified by the Central Government, within six months from the date of transfer. If only part of the capital gains is so reinvested, the exemption shall be allowed proportionately. However, it is also provided under section 54EE that investments made in a financial year and year subsequent to it should not exceed Indian Rupees five million.

3.7. As per section 54F of the Act and subject to the conditions specified therein, long term capital gains arising to an individual or Hindu Undivided Family (HUF), for instance, on transfer of shares of the Company, will be exempt from capital gain tax, if the net consideration from sale of shares is used for purchase of residential house property within a period of one year before or two years after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer. Other conditions such as ownership of not more than one house property, etc. needs to be fulfilled. Further, it may be noted that if such house property is transferred within a period of three years from the date of its purchase, or as the case may be its construction, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the new house property is transferred.

4. To mutual funds

4.1. As per section 10(23D) of the Act, mutual funds registered under the Securities and Exchange Board of India Act 1992 and such other mutual funds set up by public sector banks or public financial institutions authorized by the Reserve Bank of India and subject to the conditions specified therein, are eligible for exemption from income tax on their entire income, including income from investment in the shares of the Company.

5. To foreign institutional investors ('FIIs')

In addition to the tax benefits specified in para 1 above, following are the exemptions/deductions available to FIIs:

5.1. As per section 2(14) of the Act, any security held by a FII, provided investment in such security has been made under the SEBI Act, 1992, would always be treated as a capital asset and not as stock in trade, thus, subjecting the capital gains income to tax at a beneficial rate as compared to the taxability of the business income.

5.2. As per section 90 of the Act, FIIs being non residents, which are eligible to claim treaty benefits, will be entitled to choose the provisions of Act or the provisions of tax treaty entered into by India with other foreign countries, whichever are more beneficial, while determining its taxability in India.

5.3. The income by way of long-term capital gains [not exempt under section 10(38) of the Act] or short-term capital gains realized by FIIs on sale of such securities of the Company would be taxed at the following rates as per section 115AD of the Act-

- Short-term capital gains, referred to under section 111A of the Act shall be taxed @ 15% (plus applicable surcharge and education cess).

- Long-term capital gains shall be taxed @10% (plus applicable surcharge and education cess) without any cost indexation.

- It may be noted that first proviso to section 48, which provides protection against exchange rate fluctuations (where shares are subscribed in convertible foreign exchange) would not be available to FII's.

5.4. As per section 54EC of the Act and subject to the conditions specified therein, long-term capital gains [not exempt under section 10(38)], can be claimed as exempt from tax to the extent such capital gains are invested in certain notified bonds (currently bonds issued by National Highways Authority of India and Rural Electrification Corporation Limited have been notified for this purpose) within six months from the date of transfer. If only part of the capital gains is so reinvested, the exemption shall be allowed proportionately. However, it is also provided under section 54EC that investments made during a financial year and the subsequent year should not exceed Indian Rupees five million during any financial year. Further, it may be noted that if such bonds are transferred or converted into money (availing loan or advance on the security of such bonds would be considered as conversion into money for this purpose), within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier, would become chargeable to tax as long-term capital gains in the year in which the bonds are so transferred or converted into money.

5.5. As per section 54EE of the Act and subject to the conditions specified therein, long-term capital gains [not exempt under section 10(38)], can be claimed as exempt from tax to the extent such capital gains are invested in certain units of a startup funds to be notified by the Central Government, within six months from the date of transfer. If only part of the capital gains is so reinvested, the exemption shall be allowed proportionately. However, it is also provided under section 54EE that investments made in a financial year and year subsequent to it should not exceed Indian Rupees five million.

B. Under the Wealth Tax Act, 1957

Wealth tax has been abolished w.e.f. April 01, 2016. Hence, w.e.f. Assessment Year 2016-17, no wealth tax shall be payable by the specified category of persons (company, firm, individual, HUF, etc.) which were hitherto being subjected to wealth tax.

For and on behalf of Motherson Sumi Systems Limited

Director
Place: Noida
Date:

Notes:

1. The tax benefits enumerated in the statement are as per the provisions of the Income-tax Act, 1961 read with Income-tax Rules, circulars, notifications as amended by Finance Act, 2016 presently in force in India.
2. In respect of non-residents, the tax treatment and consequent tax rates mentioned in the statement above will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreement (DTAA), if any, entered into between India and the country of residence of such non-resident.
3. In view of the individual nature of tax consequences, each investor is advised to consult its own tax advisor with respect to specific tax consequences of its participation/investment in the proposed private placement.
4. The above Statement of Tax Benefits sets out the provisions of law in a summary manner only and does not represent our analysis or opinion/view on the tax provisions cited in the statement. It does not list all potential tax consequences in respect of the purchase, ownership or disposal of the shares by the shareholders. Further, it does not list out other tax deductions/allowances that are otherwise available to the issuer company under the provisions of the Act read with Rules.
5. In the above Statement of Tax Benefits, certain provisions relating to Individual/HUF may not directly apply to the institutional investors participating in the proposed private placement.
6. The above Statement of Tax Benefits does not include our analysis of the provisions of the direct tax laws in accordance with the Income Computation and Disclosure Standards (ICDS).
7. No assurance is given that the Revenue authorities/ courts will concur with the availability of the tax benefits to the issuer company and/or its prospective shareholders as expressed in the statement. The statement is based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the statement consequent to such changes. We will not be liable to any person in respect of this Statement.

8. It may be noted that w.e.f. April 1, 2017, General Anti Avoidance Rules (GAAR) would be applicable wherein an arrangement entered into by the assessee may be declared to be an impermissible avoidance arrangement leading to adverse tax implications.

US Federal Income Taxation

The following is a summary of certain US federal income tax considerations relevant to US Holders and Non-US Holders (as defined below) acquiring, holding and disposing of Equity Shares. This summary is based on the US Internal Revenue Code of 1986 (the "**Code**"), final, temporary and proposed US Treasury regulations and administrative and judicial interpretations, all of which are subject to change, possibly with retroactive effect, as well as on the income tax treaty between the United States and India as currently in force (the "Treaty").

This summary does not discuss all aspects of US federal income taxation that may be relevant to investors in light of their particular circumstances, such as investors subject to special tax rules (including, without limitation: (i) financial institutions; (ii) insurance companies; (iii) traders or dealers in stocks, securities, or currencies or notional principal contracts; (iv) regulated investment companies; (v) real estate investment trusts; (vi) tax-exempt organisations; (vii) entities that are treated as partnerships or pass-through entities for US federal income tax purposes, or persons that hold Shares through such entities; (viii) holders that own (directly, indirectly or constructively) 10% or more of the voting stock of the Company; (ix) investors that hold Shares as part of a straddle, hedge, conversion, constructive sale or other integrated transaction for US federal income tax purposes; (x) US Holders (as defined below) that have a functional currency other than the US dollar and (xi) US expatriates and former long-term residents of the United States), all of whom may be subject to tax rules that differ significantly from those summarised below. This summary does not address tax consequences applicable to holders of equity interests in a holder of the Shares, US federal estate, gift, Medicare contribution or alternative minimum tax considerations, or non-US, state or local tax considerations. This summary only addresses investors that will acquire Shares in the Issue, and it assumes that investors will hold their Shares as capital assets (generally, property held for investment).

For the purposes of this summary, a "US Holder" is a beneficial owner of Shares that is for US federal income tax purposes (i) an individual who is a citizen or resident of the United States, (ii) a corporation created in, or organised under the laws of, the United States or any state thereof, including the District of Columbia, (iii) an estate the income of which is includible in gross income for US federal income tax purposes regardless of its source or (iv) a trust that is subject to US tax on its worldwide income regardless of its source. A "Non-US Holder" is a beneficial owner of Shares that is neither a partnership nor a US Holder.

If a partnership holds Shares, the tax treatment of a partner in such partnership generally will depend upon the status of the partner and the activities of the partnership. Any such partner or partnership should consult their tax advisers as to the US federal income tax consequences to them of the acquisition, ownership and disposition of Shares.

Dividends

Subject to the passive foreign investment company ("PFIC") rules discussed below, a distribution made by the Company on the Shares (including amounts withheld in respect of foreign income tax, if any) will be treated as a dividend includible in the gross income of a US Holder as ordinary income to the extent of the Company's current and accumulated earnings and profits as determined under US federal income tax principles. To the extent the amount of such distribution exceeds the Company's current and accumulated earnings and profits as so computed, the distribution will be treated first as a non-taxable return of capital to the extent of such US Holder's adjusted tax basis in the Shares and, to the extent the amount of such distribution exceeds such adjusted tax basis, will be treated as gain from the sale of such shares. The Company does not expect to maintain calculations of earnings and profits for US federal income tax purposes. Therefore, a US Holder should expect that such distribution will generally be treated as a dividend. Such dividends will not be eligible for the dividends received deduction allowed to corporations.

"Qualified dividend income" received by individual and certain other non-corporate US Holders is currently subject to reduced rates applicable to long-term capital gain if (i) the Company is a "qualified foreign corporation" (as defined below) and (ii) such dividend is paid on Shares that have been held by such US Holder for at least 61 days during the 121-day period beginning 60 days before the ex-dividend date. The Company generally will be a "qualified foreign corporation" if (1) it is eligible for the benefits of the Treaty and (2) it is not a PFIC in the taxable year of the distribution or the immediately preceding taxable year. The Company expects to be eligible for the benefits of the Treaty; however, no assurance can be given that the Company will eligible for the benefits of the Treaty. In addition, as discussed below under "Passive Foreign Investment Company Rules", the Company does not believe it was a PFIC for the taxable year ending March 31, 2016 and does not expect to be a PFIC for the current year or for any future years.

Dividends on the Shares generally will constitute income from sources outside the United States for foreign tax credit limitation purposes. The amount of any distribution of property other than cash will be the fair market value of the property on the date of the distribution.

The US dollar value of any distribution made by the Company in a currency other than US dollars (a **foreign currency**) must be calculated by reference to the exchange rate in effect on the date of receipt of such distribution by the US Holder, regardless of whether the foreign currency is in fact converted into US dollars. If the foreign currency so received is converted into US dollars on the date of receipt, such US Holder generally will not recognise foreign currency gain or loss on such conversion. If the foreign currency so received is not converted into US dollars on the date of receipt, such US Holder will have a basis in the foreign currency equal to its US dollar value on the date of receipt. Any gain or loss on a subsequent conversion or other disposition of the foreign currency generally will be treated as ordinary income or loss to such US Holder and generally will be income or loss from sources within the United States for foreign tax credit limitation purposes. The rules governing foreign tax credits are complex, and US Holders should consult their tax advisers regarding the creditability of foreign taxes in their particular circumstances.

Sale or other disposition

Subject to the PFIC rules discussed below, a US Holder generally will recognise gain or loss for US federal income tax purposes upon a sale or other disposition of its Shares in an amount equal to the difference between the amount realised from such sale or disposition and the US Holder's adjusted tax basis in such Shares, as determined in US dollars. Such gain or loss generally will be capital gain or loss and will be long-term capital gain (taxable at a reduced rate for non-corporate US Holders, such as individuals) or loss if, on the date of sale or disposition, such Shares were held by such US Holder for more than one year. The deductibility of capital loss is subject to significant limitations. Such gain or loss realised generally will be treated as derived from US sources.

A US Holder that receives foreign currency from a sale or disposition of Shares generally will realise an amount equal to the US dollar value of the foreign currency on the date of sale or disposition or, if such US Holder is a cash basis or electing accrual basis taxpayer and the Shares are treated as being traded on an "established securities market" for this purpose, the settlement date. If the Shares are so treated and the foreign currency received is converted into US dollars on the settlement date, a cash basis or electing accrual basis US Holder will not recognise foreign currency gain or loss on the conversion. If the foreign currency received is not converted into US dollars on the settlement date, the US Holder will have a basis in the foreign currency equal to the US dollar value on the settlement date. Any gain or loss on a subsequent conversion or other disposition of the foreign currency generally will be treated as ordinary income or loss to such US Holder and generally will be income or loss from sources within the United States for foreign tax credit limitation purposes. The rules governing foreign tax credits are complex, and US Holders should consult their tax advisers regarding the creditability of foreign taxes in their particular circumstances.

Passive foreign investment company rules

In general, a corporation organised or incorporated outside the United States is a PFIC in any taxable year in which, after taking into account the income and assets of certain subsidiaries, either (i) at least 75% of its gross income is classified as "passive income" or (ii) at least 50% of the average quarterly value attributable to its assets produce or are held for the production of passive income. Passive income for this purpose generally includes dividends, interest, royalties, rents and gains from commodities and securities transactions.

Based on the present nature of its activities, including the planned Offering, and the present composition of its assets and sources of income, the Company believes that it was not a PFIC for the year ending on March 31, 2016 and does not expect to become a PFIC for the current year or for any future taxable year. There can be no assurances, however, that the Company will not be considered to be a PFIC for any particular year because PFIC status is factual in nature, generally cannot be determined until the close of the taxable year in question, and is determined annually. If the Company is classified as a PFIC in any year that a US Holder is a shareholder, the Company generally will continue to be treated as a PFIC for that US Holder in all succeeding years, regardless of whether the Company continues to meet the income or asset test described above. If the Company were a PFIC in any taxable year, materially adverse US federal income tax consequences could result for US Holders.

If the Company is considered a PFIC at any time that a US Holder holds the Company's shares, any gain recognized by the US Holder on a sale or other disposition of the Shares, as well as the amount of an "excess distribution" (defined below) received by such holder, would be allocated ratably over the US Holder's holding period for the Shares. The amounts allocated to the taxable year of the sale or other disposition (or the taxable year of receipt, in the case of an excess distribution) and to any year before the Company became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge would be imposed. For purposes of these rules, an excess distribution is the amount by which any distribution received by a US Holder on its Shares in a taxable year exceeds 125% of the average of the annual distributions on the Shares received during the preceding three years or the US Holder's holding period, whichever is shorter. Certain elections may be available that would result in alternative treatments of the Shares. In particular, if the Issuer were a PFIC and its shares constitute "marketable stock," a US Holder may elect to be taxed annually on a mark-to-market basis with respect to its Shares and mitigate the adverse tax consequences. US Holders should consult their tax advisers as to the availability and consequences of a mark-to-market election with respect to their Shares.

A US Holder subject to the PFIC rules discussed above or below is required to file US Internal Revenue Service ("IRS") Form 8621 with respect to its investment in the Shares.

Non-US Holders

A Non-US Holder generally should not be subject to US federal income or withholding tax on any payments on the Shares or gain from the sale, redemption or other disposition of the Shares unless: (i) that payment and/or gain is effectively connected with the conduct by that Non-US Holder of a trade or business in the United States; or (ii) in the case of any gain realised on the sale or exchange of a Share by an individual Non-US Holder, that Non-US Holder is present in the United States for 183 days or more in the taxable year of the sale, exchange or retirement and certain other conditions are met.

US information reporting and backup withholding tax

A US Holder may be subject to information reporting unless it establishes that payments to it are exempt from these rules. For example, payments to corporations generally are exempt from information reporting and backup withholding. Payments that are subject to information reporting may be subject to backup withholding if a US Holder does not provide its taxpayer identification number and otherwise comply with the backup withholding rules. Non-US Holders may be required to comply with applicable certification procedures to establish that they are not US Holders in order to avoid the application of such information reporting requirements and backup withholding. Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules are available to be credited against a US Holder's US federal income tax liability and may be refunded to the extent they exceed such liability, provided the required information is timely provided to the IRS.

Under US federal income tax law and regulations, certain categories of US persons must file information returns with respect to their investment in the equity interests of a foreign corporation. A US person that purchases for cash Shares will be required to file IRS Form 926 or similar form if the transfer, when aggregated with all transfers made by such person (or any related person) within the preceding 12 month period, exceeds US$100,000. In the event a US Holder fails to file any such required form, the US Holder could be required to pay a penalty equal to 10% of the gross amount paid for such Shares up to a maximum penalty of US$100,000.

Certain US Holders that own "specified foreign financial assets" that meet certain US dollar value thresholds generally are required to file an information report with respect to such assets with their tax returns. The Shares generally will constitute specified foreign financial assets subject to these reporting requirements unless the Shares are held in an account at certain financial institutions. US Holders are urged to consult their tax advisers regarding the application of these disclosure requirements to their ownership of the Shares.

LEGAL PROCEEDINGS

Except as described below, our Company and its Subsidiaries are not involved in any legal proceedings and disputes, and no proceedings are threatened, which may have, or have had, a material adverse effect on the business, financial condition, cash flows or operations of our Company and its Subsidiary.

Cases involving our Company

Tax Matters

(a) Direct Tax Matters

There are 14 income tax matters involving our Company which are pending before various fora such as Commissioner of Income Tax (Appeals), Income Tax Appellate Tribunal, the High Court of Delhi and the Supreme Court involving an aggregate amount of ₹ 126.03million, in relation to, *inter alia*, transfer pricing adjustments, disallowance of depreciation and reduction in the benefits under the IT Act.

(b) Indirect Tax Matters

There are 22 sales tax matters involving our Company which are pending before various fora such as Assessing Office, High Court of Allahabad, and Sales Tax Tribunals involving an aggregate amount of ₹ 51.99 million, in relation to, *inter alia*, disallowance of input tax credit, reversal of input tax credit and entry tax on goods brought into local area. There are 34 excise and service tax matters involving our company which are pending before various forums such as the Assistant Commissioner of Service Tax, Assistant Commissioner of Central Excise, Customs, Excise and Service Tax Appellate Tribunal, High Court of Delhi and High Court of Allahabad involving an aggregate amount of ₹ 104.48 million in relation to, *inter alia*, inclusion of value added tax subsidy for valuation, interest on supplementary invoice, refund of central value added tax ("**CENVAT**") on deemed exports, disallowance of miscellaneous CENVAT credits, payment of service tax, *etc.*

There are two demand notices which have been issued by Pimpri-Chinchwad Municipal Corporation, Pune, involving an aggregate amount of ₹ 4.28 million, alleging irregularities in terms of classification differences for the payment of applicable octroi.

Civil Matters

There are two civil matters, including a show cause notice, involving our Company which are pending before the Supreme Court of India and the Revenue Board, Allahabad, involving an aggregate amount of ₹ 3.85 million, in relation to alleged deficiencies in payment of stamp duty.

Other Matters

The office of the Director General ("**DG**") of the Competition Commission of India ("**CCI**") sent a notice dated August 3, 2015 to our Company requiring certain information with respect to our business in relation to an investigation under the Competition Act, 2002 and directed our Company that the contents of the notice and investigation are required to be kept confidential. Our Company requested the DG and the CCI to provide it with further information in relation to the investigation. The CCI by its letter dated October 1, 2015 directed our Company to assist the DG in its investigation. Our Company thereafter filed a writ petition before the High Court of Delhi to direct the CCI to provide it with further information in relation to the investigation. The High Court of Delhi, through an order dated March 30, 2016 allowed the Company to file an application with the CCI for inspecting and obtaining copies of documents or records submitted in connection with the investigation. Further, the High Court of Delhi directed the Company to fully cooperate with the investigation and hand over documents which are readily available. Thereafter, the Company withdrew the petition from the High Court of Delhi. Subsequently, our Company filed an application with the CCI requesting further information in relation to the investigation, which was denied by the CCI which stated that that there was only a confidential version of the case records. The CCI, through a letter dated April 19, 2016 has sought further clarifications from the Company. Our Company has filed a separate writ petition in the High Court of Delhi dated July 21, 2016 seeking (i) the quashing of the orders issued by the CCI; and (ii) a direction to the CCI, *inter alia*, for creation of a public version of the case records which could be shared with our Company. The matter is currently *sub-judice.*

Cases involving our Directors

One of our Directors, Mr. Naveen Ganzu, in his capacity as an erstwhile director of another company, is involved in two income tax matters pending before the Judicial Magistrate First Class, Faridabad, involving an aggregate amount of ₹265,05 million, in relation to, *inter alia*, non-payment of assessed income tax by the company for the assessment years 2008—09, 2009-10, 2010-11, 2011-12 and 2012-13, under the IT Act.

Other Material Litigations

On May 3, 2016, SMRAS, one of our U.S. based Subsidiary, received a grand jury subpoena from the United States Department of Justice, Antitrust Division (the "**DOJ**"), seeking certain documents from SMRAS and its affiliates, relating to possible violations of federal anti-trust regulations in the sale of automotive mirrors. The information requested by the grand jury is from January 1, 2008 which predates our acquisition of SMRAS on March 6, 2009. SMRAS submitted the requested documents to the DOJ on August 9, 2016 and has fully cooperated with the DOJ.

Litigation, inquiries, inspections or investigations under the Companies Act against our Company and / or its Subsidiaries in the last three years

Nil

Prosecutions filed against, fines imposed on, or compounding of offences by our Company and / or its Subsidiaries under the Companies Act in the last three years

Nil

Details of acts of material frauds committed against our Company in the last three years, if any, and if so, the action taken by our Company

Nil

Defaults in respect of dues payable including therein the amount involved, duration of default and present status of repayment

Nil

Litigation or legal action pending or taken against the Promoter(s) taken by any Ministry, Department of the Government or any statutory authority in the last three years

Nil

Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of this Placement Document and of their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remark

Nil

STATUTORY AUDITORS

Our Company's current statutory auditors, Price Waterhouse Chartered Accountants LLP are independent auditors with respect to our Company as required by the Companies Act and in accordance with the guidelines issued by the ICAI.

The Financial statements, included in this Placement Document have been audited by Price Waterhouse Chartered Accountants LLP, our statutory auditors for the aforementioned fiscal years. The Condensed Interim Consolidated Financial Statements, included in this Placement Document have been subjected to limited review by Price Waterhouse Chartered Accountants LLP.

With respect to the unaudited condensed interim consolidated financial statements of the Company for the three months ended June 30, 2016 included in this Placement Document, Price Waterhouse Chartered Accountants LLP reported that they have applied limited procedures in accordance with professional standards for a review of such unaudited condensed interim consolidated financial statements. However, their separate report dated September 8, 2016 appearing herein states that they did not audit and they do not express an audit opinion on that unaudited condensed interim consolidated financial statements. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

GENERAL INFORMATION

- Our Company was incorporated on December 19, 1986 under the Companies Act, 1956, as 'Motherson Sumi Systems Private Limited'. Pursuant to our Company becoming a deemed public company under Section 43A of the Companies Act, 1956, the name of our Company was changed to 'Motherson Sumi Systems Limited' on April 29, 1987. Pursuant to the order of the Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi, the registered office of our Company was shifted from 2nd Floor, F.7, Block B.1, Mohan Cooperative Industrial Estates, Mathura Road, New Delhi 110044 to Unit 705, C Wing, One BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400051, Maharashtra, India. Our CIN is L34300MH1986PLC284510.

- The total number of issued and paid-up Equity Shares are 1,340,641,500, out of which 1,322,744,149 Equity Shares are currently listed on the BSE and the NSE.

- The Issue was authorised and approved by the Board of Directors on August 3, 2016 and approved by the shareholders of our Company on August 31, 2016. To ensure that the shareholding of SWS in our Company is maintained at above 25%, our Company has issued 17,762,460 Equity Shares to SWS, one of our promoters, on September 12, 2016, through a preferential issue as permitted under Chapter VII of the SEBI ICDR Regulations and other applicable laws. The Preferential Issue to SWS has been approved by our shareholders' resolution passed at the AGM dated August 31, 2016.

- Geeta Mathur is a director on the board of our Company as well as on the board of IIFL Holdings Limited, one of the BRLMs for the Issue, and therefore, IIFL Holdings Limited is deemed to be an associate of our Company, as per the Merchant Bankers Regulations. Hence, in compliance with the proviso to Regulation 21A(1) of the SEBI Merchant Bankers Regulations, read with the proviso to Regulation 5(3) of the SEBI Regulations, IIFL Holdings Limited will be involved only in the marketing of the Issue.

- Our Company has received in-principle approvals to list the Equity Shares to be issued pursuant to the Issue, on the BSE and the NSE on September 8, 2016 and September 8, 2016, respectively.

- Copies of our Memorandum and Articles of Association will be available for inspection between 10:00 am to 5:00 pm on any weekday (except Saturdays and public holidays) during the Bid/Issue Period at our Registered Office.

- There has been no material change in our financial or trading position since June 30, 2016, the date of the latest financial statements included in this Placement Document, except as disclosed herein.

- Our Company confirms that it is in compliance with the minimum public shareholding requirements as specified in the SCRR.

- Except as disclosed in this Placement Document, our Company has obtained necessary consents, approvals and authorizations required in connection with the Issue.

- The Floor Price is ₹ 326.10 per Equity Share, calculated in accordance with the provisions of Chapter VIII of the SEBI ICDR Regulations. Our Company has decided to offer a discount of 2.79% on the Floor Price in terms of Regulation 85 of the SEBI ICDR Regulations.

- The financial statements of our Company included herein have been prepared in accordance with Indian GAAP and Ind-AS as applicable to companies in India. Unless the context otherwise requires, all financial data in this Placement Document are derived from our Financial Statements and Condensed Interim Consolidated Financial Statements. Indian GAAP differs in certain significant respects from IFRS and U.S. GAAP.

- Details of the Compliance Officer:

  Name: Mr. G.N. Gauba
  Designation: Company Secretary
  Address:

Plot No. 1, Sector 127
Noida – 201 301
Uttar Pradesh, India
Tel: +91 120 6752 205
Fax: +91 120 2521 866
Email: investorrelations@motherson.com

FINANCIAL STATEMENTS

S. No.	Financial Statements
1.	Financial Statements
2.	Condensed Interim Consolidated Financial Statements

Independent Auditors' Report

To the Board of Directors of Motherson Sumi Systems Limited

1. We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") of Motherson Sumi Systems Limited ("the Company") and its subsidiaries, its jointly controlled entities and associate companies; hereinafter referred to as the "Group" (refer Note 34 to the attached consolidated financial statements) which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 – Consolidated Financial Statements, Accounting Standard (AS) 23 – Accounting for Investments in Associates in Consolidated Financial Statements, and Accounting Standard (AS) 27 – Financial Reporting of Interests in Joint Ventures notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

7. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to in paragraph 9 below, and to the best of our information and according to the explanations given to us, in our opinion, the accompanying consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;

   (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and

   (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matters

8. We did not audit the financial statements of 20 subsidiaries and 3 jointly controlled entities included in the consolidated financial statements, which constitute total assets of ₹117,563 million and net assets of ₹ 16,329 million as at March 31, 2014, total revenue of ₹ 245,056 million, net profit of ₹ 3,807 million and net cash flows amounting to ₹ 3,033 million for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

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

Rajib Chatterjee
Partner
Membership Number
057134

Place: Noida
Date: May 22, 2014

Consolidated Balance Sheet

(All amounts are in ₹ Million, unless otherwise stated

	Note	As At March 31, 2014	As At March 31, 2013
Equity and Liabilities			
Shareholders' Funds			
Share capital	3	882	588
Reserves and Surplus	4	28,711	22,302
		29,593	**22,890**
Minority Interest		7,896	4,025
Non Current Liabilities			
Long term borrowings	5	29,834	27,159
Deferred tax liabilities (net)	6	1,680	1,441
Other long term liabilities	7	2,083	2,388
Long term provisions	8	2,043	1,679
		35,640	**32,667**
Current Liabilities			
Short term borrowings	9	10,111	13,553
Trade payables	10	40,917	31,808
Other current liabilities	11	24,767	19,756
Short term provisions	12	4,699	3,576
		80,494	**68,693**
TOTAL EQUITY AND LIABILITIES		**153,623**	**128,275**
Assets			
Non Current Assets			
Fixed Assets	13		
Tangible assets		56,485	50,563
Intangible assets		2,704	2,207
Capital work in progress		6,467	3,855
Intangible assets under development		4	4
Non current investments	14	749	716
Deferred tax assets (net)	15	1,184	882
Long term loans and advances	16	3,566	1,507
Other non-current assets	17	1,909	1,354
		73,068	**61,088**
Current Assets			
Current investments*	18	0	0
Inventories	19	32,822	26,036
Trade receivables	20	32,384	29,400
Cash and bank balances	21	9,061	5,944
Short term loans and advances	22	6,162	5,708
Other current assets	23	126	99
		80,555	**67,187**
TOTAL ASSETS		**153,623**	**128,275**
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**
Firm Registration Number: 012754N
Chartered Accountants

RAJIB CHATTERJEE
Partner
M.No.: 057134

Place: Noida
Date : May 22, 2014

The notes are an integral part of these consolidated financial statements

For and on behalf of the Board

V.C. SEHGAL
Chairman

NORIYO NAKAMURA
Director

PANKAJ MITAL
Chief Operating Officer

G.N. GAUBA
Chief Financial Officer &
Company Secretary

Consolidated Statement of Profit and Loss

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

	Note	For the year ended March 31, 2014	For the year ended March 31, 2013
Revenue			
Revenue from operations (gross)		309,974	258,788
Less: Excise duty		5,695	5,664
Revenue from operations (net)	24	304,279	253,124
Other Income	25	3,106	3,215
Total Revenue		**307,385**	**256,339**
Expenses			
Cost of materials consumed	26	195,557	166,860
Purchase of stock-in-trade		1,093	1,008
Changes in inventories of finished goods, work-in-progress and stock in trade	27	(3,036)	(3,030)
Employee benefits expense	28	51,064	42,827
Other expenses	29	35,630	30,692
Total Expenses		**280,308**	**238,357**
Profit before Interest and depreciation		**27,077**	**17,982**
Finance costs	30	2,943	2,495
Profit for the year before depreciation		**24,134**	**15,487**
Depreciation and amortization expense	31	8,172	7,145
Profit before tax		**15,962**	**8,342**
Tax expenses			
- Current tax		5,173	3,851
- Deferred tax expense/ (credit)		(209)	(20)
- Fringe benefit tax		35	50
- Income tax for earlier years		(5)	(46)
Profit after tax before share of results of associates and minority interests		**10,968**	**4,507**
Less: Minority Interest / (Loss)		3,316	70
Add: Share of net profit of associates		(2)	8
Profit for the year from continuing operations		**7,650**	**4,445**
Earnings per share: (Refer Note 37)			
Nominal value per share: ₹ 1/- (Previous year : ₹ 1/-)			
Basic : ₹ Per share		8.7	5.0
Diluted : ₹ Per share		8.7	5.0
Summary of significant accounting policies	2		

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

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

RAJIB CHATTERJEE
Partner
M.No.: 057134

Place: Noida
Date : May 22, 2014

The notes are an integral part of these consolidated financial statements

For and on behalf of the Board

V.C. SEHGAL
Chairman

NORIYO NAKAMURA
Director

PANKAJ MITAL
Chief Operating Officer

G.N. GAUBA
Chief Financial Officer &
Company Secretary

Consolidated Cash Flow Statement

(All amounts in ₹ Million, unless otherwise stated)

		For the year ended March 31, 2014	For the year ended March 31, 2013
A.	**Cash flow from operating activities:**		
	Net (loss)/profit before tax and exceptional/extraordinary items	**15,960**	**8,350**
	Adjustments for:		
	Share of (profit)/loss in associate	2	(8)
	Depreciation & Amortisation	8,172	7,145
	Interest expenditure	2,929	2,495
	Interest income	(165)	(121)
	Dividend income	(3)	(2)
	(Profit) / Loss on sale of tangible assets (net)	(37)	(93)
	Profit on sale of Long Term Investments *	(0)	-
	Change in carrying amount of current investment	(1)	(1)
	Debts / Advances written off	66	90
	Provision for Bad & Doubtful Debts / Advances	111	115
	Liability no longer required written back	(396)	(286)
	Provision for employee benefits	152	190
	Provision for warranty	333	(9)
	Unrealised foreign currency loss	3,021	1,676
	Operating profit before working capital changes	**30,144**	**19,541**
	Change in working Capital:		
	(Increase)/Decrease in trade and other payables	14,078	1,283
	(Increase)/Decrease in trade receivables	(3,549)	561
	(Increase)/Decrease in inventories	(6,786)	(3,540)
	(Increase)/Decrease in other receivables	(1,340)	677
	Cash generated from operations	**32,547**	**18,522**
	- Taxes (Paid) / Received (Net of TDS)	(5,597)	(3,662)
	Net cash generated from operations before extra ordnary items	**26,950**	**14,860**
	- Extraordinary /exceptional Item (Expense)/ Income	-	-
	Net cash generated from operating activities	**26,950**	**14,860**
B.	**Cash flow from Investing activities:**		
	Purchase/ additions of tangible / intangible assets	(14,120)	(11,389)
	Sale of tangible / intangible assets	603	494
	Sale / (purchase) of investments	(6)	(13)
	Loan to related parties (net)	(360)	(0)
	Interest received (revenue)	157	116
	Dividend received	3	2
	Net cash used in investing activities	**(13,723)**	**(10,790)**

(All amounts in ₹ Million, unless otherwise stated)

		For the year ended March 31, 2014	For the year ended March 31, 2013
C.	**Cash flow from financing activities:**		
	Proceeds from Minority Shareholders	-	260
	Dividend Paid	(1,195)	(868)
	Dividend Distribution Tax	(200)	(144)
	Dividend Paid to Minority Share holders	(540)	(1,120)
	Interest paid	(2,881)	(2,537)
	Proceeds from Long Term borrowings	9,565	4,463
	Proceeds from Short Term borrowings	5,402	8,098
	Repayment of Long Term Borrowings	(11,176)	(5,087)
	Repayment of Short Term Borrowings	(9,792)	(5,639)
	Proceeds from Government subsidy	16	16
	Net cash used in financing activities	**(10,801)**	**(2,558)**
	Net Increase/(Decrease) in Cash & Cash Equivalents	**2,426**	**1,512**
	Net Cash and Cash equivalents at the beginning of the year	**5,845**	**4,429**
	Cash and cash equivalents as at current year closing	**8,271**	**5,941**
	Cash and cash equivalents comprise		
	Cash on hand	23	30
	Cheques / drafts on hand	21	30
	Balance with Banks	8,261	5,785
	Cash and cash equivalents as per Balance Sheet (restated)	**8,305**	**5,845**
	Effect of exchange differneces on balance with banks in foreign currency	(34)	96
	Total	**8,271**	**5,941**

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

i) The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard - 3 on “Cash Flow Statement” notified in Companies (Accounting Standards Rule) 2006.

(ii) Figures in brackets indicate cash outgo.

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

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

RAJIB CHATTERJEE
Partner
M.No.: 057134

Place: Noida
Date : May 22, 2014

For and on behalf of the Board

V.C. SEHGAL
Chairman

NORIYO NAKAMURA
Director

PANKAJ MITAL
Chief Operating Officer

G.N. GAUBA
Chief Financial Officer &
Company Secretary

Notes to the consolidated financial statements

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

1. General Information

Motherson Sumi Systems Limited (MSSL or 'the Company') is incorporated in India on 19th December 1986 and is engaged primarily in the manufacture and sale of components to automotive original equipment manufacturers. The Company is a public limited company and is listed on the Bombay Stock Exchange, National Stock Exchange, Ahmadabad Stock Exchange and Delhi Stock Exchange. The Company is a joint venture entity between Samvardhana Motherson International Limited (SMIL) and Sumitomo Wiring Systems Limited, Japan. The group comprises of MSSL and its directly and indirectly held 83 subsidiaries, 11 Joint ventures and 2 associates. The group has manufacturing plants in India, Sri Lanka, Thailand, United Arab Emirates (UAE), Australia, United Kingdom (UK), Germany, Hungary, Portugal, Spain, France, Slovakia, China, South Korea, USA, Brazil, Mexico, Czech Republic, Japan, South Africa, and Ireland.

2. Summary of significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain tangible assets which are being carried at revalued amounts. Pursuant to circular 15/2013 dated 13.09.2013 read with circular 08/2014 dated 04.04.2014 till the standards of accounting or any addendum thereto are prescribed by the Central Government in consultation and recommendation of National Financial Reporting Authority, the existing accounting standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

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

2.2 Principles of Consolidation

The Consolidated Financial Statements relate to Financial Statements of Motherson Sumi Systems Limited ('the Company') and its Subsidiary Companies, Joint Ventures and Associates ('the Group').

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

a) Subsidiaries

   (i) The subsidiaries have been consolidated by applying Accounting Standard 21 "Consolidated Financial Statements".

   (ii) Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date of disposal.

   (iii) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses.

   (iv) The excess of the cost of acquisition over the Company's portion of equity and reserves of the subsidiary company at each time an investment is made in a subsidiary is recognized in the financial statements as goodwill. Negative goodwill is recognized as capital reserve.

   (v) Minority Interest in the Net Assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments.

b) Investment in business entities over which the group exercises joint control and the group does not hold majority voting power are accounted for using proportionate consolidation in accordance with Accounting Standard 27 "Financial Reporting of Interest in Joint Venture". The group combines its share of the joint ventures individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the group's financial statements

c) Investment in Associates (entity over which the group exercises significant influence, which is neither a subsidiary nor a joint venture) are accounted for using the equity method in accordance with Accounting Standard 23 "Accounting for Investments in Associates in Consolidated Financial Statements", whereby the investment is initially recorded at cost, identifying any goodwill/capital reserve arising at the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the investor's share of net assets of the investee.

d) The Consolidated Financial Statements have been prepared using financial statements drawn up to same reporting dates to the extent practicable and where financial statements used are drawn up to different reporting dates adjustments are made for any significant transactions for events occurring between those dates and the date of this financial statement.

e) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances except as stated and are presented to the extent possible, in the same manner as the Company's separate financial statements. However, in respect of certain subsidiaries of the group, inventories are consistently valued on weighted average cost basis as against the group policy of valuing inventories on First in First Out ('FIFO') cost basis since it is not considered practical to do so by the management. The total value of inventories valued on weighted average basis amount to ₹ 19,115 million (Previous Year ₹ 14,110 million) as at March 31, 2014. Such inventories are 58.2% (Previous Year 54.3%) of the group's total inventories.

2.3 Tangible Assets

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any, except tangible assets of the Component Division of erstwhile Motherson Auto Components Engineering Limited (MACE) and erstwhile India Nails Manufacturing Limited (formerly India Nails Manufacturing Private Limited, subsidiary which has been merged with the Company w.e.f. April 1, 2011) which have been revalued on December 31, 1998 and on March 31, 2005 respectively and except assets costing less than ₹ 5,000 to ₹ 350,000 each charged to expense, which could otherwise have been included as tangible asset, in accordance with Accounting Standard 10 -'Accounting for Fixed Assets', because the amount is not material.

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

a) Land at the prevailing market rates as certified by approved valuation experts as on the date of revaluation.

b) Building, plant and machinery and other assets of MACE at their replacement values as certified by approved valuation expert

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

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

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

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

	Indian Entities Rates %	Overseas Entities Rates %
Leasehold Land	Over the period of lease	
Freehold Land	Nil	
Leasehold improvements	Over the period of lease	
Building	1.63 – 10	1.63- 20
Plant & Machinery	10.34-25	6.67-33.33
Furniture & fixtures	16.67	6.67-33.33
Office equipment's	16.67	10-33.33
Computers	33.33	6.67-33.33
Vehicles	25	8.33-33.33

In respect of revalued assets, depreciation is being provided on the revalued amounts over the remaining useful life of the assets at the SLM rates.

2.4 Intangible Assets

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

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

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

2.5 Borrowing Costs

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

2.6 Impairment of Assets

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

2.7 Investments

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

Investment Property

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

2.8 Inventories

Inventories are stated at lower of cost and net realizable value. Cost is determined using the first-in, first-out (FIFO) method except in case of certain entities in the group where weighted average cost method is being used (refer note 2.2 (e)).

The cost of finished goods and work in progress comprises raw materials, components, direct labour, other direct costs and related production overheads. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Tools are valued at cost less amortization based on useful life of the items ascertained on a technical estimate by the management.

2.9 Foreign Currency Translations and Derivative Instruments

Initial Recognition

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

Subsequent Recognition

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

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

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

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

Forward Exchange Contracts

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

Translation of foreign operations

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

Derivative Transactions

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

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

2.10 Revenue Recognition

Sale of goods

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

Sale of Services

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

2.11 Other Income

Interest

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

Duty Drawback and export incentives

Income from duty drawback and export incentives is recognized on an accrual basis.

Dividend

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

2.12 Employee Benefits

a) *In respect of the companies incorporated in India*

Provident Fund & Employee State Insurance

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

Gratuity

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

Compensated Absences

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

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

b) *In respect of the companies incorporated outside India*

Pensions

The Group operates various defined benefit pension plans, certain of which require contributions to be made to separately administered funds whereas others are not funded.

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method and is based on actuarial advice. The interest element of the defined benefit cost represents the change in present value of scheme obligations resulting from the passage of time, and is determined by applying the discount rate to the opening present value of the benefit obligation, taking into account material changes in the obligation during the year. The expected return on plan assets is based on an assessment made at the beginning of the year of long-term market returns on scheme assets, adjusted for the effect on the fair value of plan assets of contributions received and benefits paid during the year.

The defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation, less any past service cost not yet recognized and the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price.

The value of a net pension benefit asset is restricted to the sum of any unrecognized past service costs and the present value of any amount the Group expects to recover by way of refund from the plan or reduction in the future contributions. An economic benefit, in the form of a refund or a reduction in future contributions, is available if the Group can realize it at some point during the life of the plan or when the plan liabilities are settled. In particular, such an economic benefit may be available even if it is not realizable immediately at the balance sheet date. The economic benefit available does not depend on how the Group intends to use the surplus. The Group determines the maximum economic benefit that is available from refund, reduction in future contributions or a combination of both. Legal or contractual minimum funding requirements in general stipulate a minimum amount or level of contributions that must be made to a plan over a given period. Therefore, a minimum funding requirement may limit the ability of the entity to reduce future contributions and considered respectively in determining the economic benefit from the plan.

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

Other Long term benefits

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

Compensated Absences

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

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

2.13 Government grants

Government grants are recognized when it is reasonable to expect that the grants will be received and that all related conditions will be met. Government grants in respect of capital expenditure are credited to the acquisition costs of the respective fixed asset and thus are released as income over the expected useful lives of the relevant assets. Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate. Government grants that are given with reference to total capital outlay are credited to capital reserve and treated as a part of shareholders' funds.

2.14 Current and Deferred Tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current taxes are determined based on respective taxable income of each of the taxable entity and tax rules applicable for respective tax jurisdictions.

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

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

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

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

Fringe Benefit Tax

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

2.15 Provisions and Contingent Liabilities

Provisions

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

Contingent Liabilities

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

2.16 Leases

As a lessee

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

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

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

As a lessor

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

2.17 Segment Reporting

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

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

2.18 Cash and Cash Equivalents

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

Notes to the consolidated financial statements

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

2.19 Earnings per Share (EPS)

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

3. Share Capital

	As At March 31, 2014	As At March 31, 2013
Authorised		
2,873,000,000 Equity Shares of ₹ 1/- each (Previous Year 2,873,000,000 Equity Shares of ₹ 1/- each)	2,873	2,873
25,000,000 8% Convertible Cumulative Preference Shares of ₹ 10/- each (Previous Year 25,000,000 Preference Shares of ₹ 10/- each)	250	250
Issued		
881,919,360[1] Equity Shares of ₹ 1/- each (Previous Year 587,946,240 Equity Shares of ₹ 1/- each)	882	588
Subscribed and Paid up		
881,919,360[1] Equity Shares of ₹ 1/- each (Previous Year 587,946,240 Equity Shares of ₹ 1/- each)	882	588
Total	**882**	**588**

[1] During the year the Company has made allotment of 293,973,120 equity shares of ₹ 1/- each (Previous year 195,982,080 equity shares of ₹ 1/- each) as bonus shares in proportion of one equity share for every two equity shares.

a. Reconciliation of number of shares

Equity Shares:	As at March 31, 2014		As at March 31, 2013	
	Numbers	Amount	Numbers	Amount
Balance as at the beginning of the year	587,946,240	588	387,543,800	388
Add: Shares issued to the shareholders of erstwhile Sumi Motherson Innovative Engineering Limited (SMIEL) merged with the Company w.e.f. April 1, 2011, as part of the scheme of amalgamation	-	-	4,420,360	4
Add: Bonus Shares issued by capitalisation of Securities Premium Account and Capital Redemption Reserve during the year	293,973,120	294	195,982,080	196
Balance as at the end of the year	**881,919,360**	**882**	**587,946,240**	**588**

b. Rights, preferences & restrictions attached to shares

Equity Shares:

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

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

c. Aggregate number of Shares alloted as fully paid up by way of bonus shares during 5 years immediately preceeding March 31, 2014

	Aggregate No of Shares issued in five years	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Equity shares allotted as fully paid bonus shares by capitalization of Securities Premium Account and Capital Redemption Reserve	489,955,200	293,973,120	195,982,080	-	-	-

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

Equity shares	As at March 31, 2014		As at March 31, 2013	
	Nos.	%	Nos.	%
Samvardhana Motherson International Limited (formerly Samvardhana Motherson Finance Limited)	318,531,564	36.12%	212,354,376	36.12%
Sumitomo Wiring Systems Limited	223,013,854	25.29%	148,675,903	25.29%

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

4. Reserves and Surplus

	As at March 31, 2014		As at March 31, 2013	
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
Securities Premium Account				
Balance as at the beginning of the year	3,457		3,653	
Deductions during the year [1]	(144)		(196)	
Balance as at the end of the year		3,313		3,457
General Reserve				
Balance as at the beginning of the year	2,886		2,350	
Transfer from Surplus in Statement of Profit and Loss during the year	629		536	
Balance as at the end of the year		3,515		2,886
Exchange Reserve on Consolidation				
Balance as at the beginning of the year	2,073		978	
Additions during the year	1,608		1,095	
Balance as at the end of the year		3,681		2,073
Capital Reserve on Consolidation				
Balance as at the beginning of the year	1,315		1,315	
Additions during the year	-		-	
Balance as at the end of the year		1,315		1,315

Notes to the consolidated financial statements

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

	As at March 31, 2014		As at March 31, 2013	
Surplus in Statement of Profit and Loss				
Balance as at the beginning of the year	10,597		8,120	
Additions during the year	7,650		4,445	
Transfer to General Reserve	(629)		(536)	
Deductions during the year:				
Proposed dividend (Refer Note 12)	(2,205)		(1,176)	
Tax on dividend (Refer Note 12)	(375)		(200)	
Tax paid consolidated companies - for earlier years	(35)		(56)	
Balance as at the end of the year		15,003		10,597
Capital Redemption Reserve				
Balance as at the beginning of the year	150		150	
Deductions during the year [1]	(150)		-	
Balance as at the end of the year		-		150
Capital Reserve				
Balance as at the beginning of the year	65		-	
Additions during the year [2]	62		65	
Deductions during the year	(2)		-	
Balance at the end of the year		125		65
Total		**28,711**		**22,302**

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

[2] a) Being subsidy of ₹ 47 million under Rajasthan Promotion Scheme 2010 w.r.t. units at Rajasthan (Previous year ₹ 65 million under industrial promotion subsidy under Package Scheme of Incentives 2007 in respect of its unit at Pune) and;

b) ₹ 15 million (Previous year ₹ Nil) from Mexican Government against cash incentive;
recognised during the year in accordance with Accounting Standard 12 "Accounting for Government Grants"

Bracket denotes appropriations / deductions.

5. Long Term Borrowings

	Non Current Portion		Current Maturities	
	As At March 31, 2014	As At March 31, 2013	As At March 31, 2014	As At March 31, 2013
Secured:				
i) Term loan from banks				
- Foreign currency loan	22,400	21,157	5,893	6,898
ii) Term loan from others				
- Indian rupee loan	14	26	12	13
- Finance lease liabilities	1,674	1,725	639	483
Unsecured:				
i) Term loan from banks				
- foreign currency loan	3,840	3,647	1,702	918
ii) Term loan from others				
- Indian rupee loan	126	2	-	-
- Foreign currency loan	1,200	570	186	15
iii) Deposits from related parties				
- Foreign currency loan - from related party (Refer note 40)	20	32	20	-

Notes to the consolidated financial statements

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

	Non Current Portion		Current Maturities	
	As At March 31, 2014	As At March 31, 2013	As At March 31, 2014	As At March 31, 2013
- Indian rupee loan - from related party (Refer note 40)	560	-		
Amounts disclosed under the head "other current liabilities" (Refer Note 11)			(8,452)	(8,327)
Total	**29,834**	**27,159**	**-**	**-**

(a) Nature of Security and terms of repayment for secured borrowings:

	Nature of Security	Terms of Repayment
	Long terms foreign currency loans from Bank include:	
i.	Loan amounting to ₹ 4,396 million (March 31, 2013 : ₹ 4,885 million) secured by first pari passu charge on entire fixed assets, both movable & immovable, of the Company present and future and second pari passu charge on the entire current assets of the Company. These are also secured by way of deposit of title deeds of specified properties.	1) ₹ Nil (March 31, 2013 : ₹ 210 million) fully repaid in 2013-2014. 2) ₹ 359 million (March 31, 2013 : ₹ 542 million) is repayable in 3 half yearly installments till July 2015. 3) ₹1079 million (March 31, 2013 : ₹ 977 million) repayable in 4 half yearly installments commencing from March 2017 till September 2018. 4) ₹ 225 million (March 31, 2013 : ₹ 340 million) is repayable in 6 quarterly installments till September 2015 5) ₹ 262 million (March 31, 2013 : ₹ 373 million) is repayable in 7 quarterly installments till December 2015 6) ₹ 1,378 million (March 31, 2013: ₹ 1,357 million) is repayable in 9 half yearly installments commencing from February 2014 till August 2018. 7) ₹ 779 million (March 31, 2013 : ₹ 760 million) is repayable in 8 half yearly installments commencing from August 2012 till February 2018. 8) Loan amounting to ₹ 314 million (March 31, 2013 : ₹ 326 million) repayable in 7 half yearly installments commencing from February 2014 till August 2017 The applicable rate of interest in respect of these loans is within a range of 0.4% p.a. to 3% p.a. over 3 to 6 months US$/JPY Libor and 5% to 8 % in respect of loans hedged through swap contracts."
ii	Loan amounting to ₹ 10 million (March 31, 2013 : ₹ 17 million) secured by pledge of plant & machinery of Samvardhana Motherson Invest Deutschland GmbH	1) ₹ 7 million (March 31, 2013 : ₹ 13 million) is repayable in monthly installments until December 2014. 2) ₹ 3 million (March 31, 2013 : ₹ 4 million) is repayable in monthly installments until June 2015. The applicable rate of interest in respect of these loans is within a range of 5% p.a. to 9% p.a.
iii	Loan amounting to ₹ 27 million (March 31, 2013 : 32 million) secured by lien on injection moulding machines and second grade mortgage of land and building of MSSL Advanced Polymers s.r.o.	Repayable in monthly installments along with interest of 4.93% p.a.
iv	Loan amounting to ₹ 27 million (March 31, 2013 : ₹ Nil) secured by pledge of the machine and future insurance receivables of the debtors related to machine in favour of Bank.	Repayable in monthly installments commencing from January 2014 until May 2019.

	Nature of Security	Terms of Repayment
v	Loan amounting to ₹ 14 million (March 31, 2013 : ₹ 23 million) secured by fixed and floating charge over property of MSSL Australia Pty Ltd, Motherson Elastomers Pty Limited and Motherson Investments Pty Limited and registered mortgage over specified properties situated in Victoria, Australia.	Repayable in June 2014. The applicable rate of interest is 5.18 % p.a.
vi	Loan amounting to ₹ 4,913 million (March 31, 2013: ₹ 6,903 million) secured by: (a) first priority pari-passu charge over all assets of the Samvardhana Motherson Peguform GmbH (earlier known as Forgu GmbH, Germany) and Samvardhana Motherson B.V. (except pledge over shares of Peguform Mexico S.A.de C.V., SMP Deutschland GmbH (formerly Peguform GmbH) and SMP Automotive Technology Iberica S.L. (earlier known as Peguform Iberica S.L.) (b) Pledge over shares of the Samvardhana Motherson Peguform GmbH (earlier known as Forgu GmbH, Germany) and Samvardhana Motherson B.V. (c) Second charge over assets of SMP Deutschland GmbH (formerly Peguform Gmbh) and all its German subsidiaries. (d) Corporate Guarantee of the Company for an aggregate amount of USD equivalent of EUR 106.7 million.	Repayable on quarterly installment commencing from August 2012 until November 2016. The applicable rate of interest is 3 months USD LIBOR plus 3.25% to 3.50 %”
vii	Loan amounting to ₹ 5,173 million (March 31, 2013: ₹ 6,374million) secured by: (a) first priority pari-passu charge over all assets of the Samvardhana Motherson Peguform GmbH (earlier known as Forgu GmbH, Germany) and Samvardhana Motherson B.V. (except pledge over shares of SMP Automotive Systems Mexico S.A. de C.V. (earlier known as Peguform Mexico S.A.de C.V.), SMP Deutschland GmbH (formerly Peguform GmbH) and SMP Automotive Technology Iberica S.L. (earlier known as Peguform Iberica S.L.). (b) Pledge over shares of the Samvardhana Motherson Peguform GmbH (earlier known as Forgu GmbH, Germany) and Samvardhana Motherson B.V. (c) Second charge over assets of SMP Deutschland GmbH (formerly Peguform Gmbh) and all its German subsidiaries. (d) Corporate Guarantee of Samvardhana Motherson International Limited for an aggregate amount of USD equivalent of EUR 102.3 million.	Repayable on yearly basis commencing from November 2013 until November 2016. The applicable rate of interest is 3 months USD LIBOR plus 3.25 % to 3.50%

	Nature of Security	Terms of Repayment
viii	Loan amounting to ₹ 6,583 million (March 31, 2013: ₹ 6,724 million) secured by: (a) first ranking security interest over all assets (including brands, patents, intangibles, investments in group companies) of SMP Deutschland GmbH and SMP Automotive Technology Iberica S.L. (formerly known as Peguform Iberica S.L), Samvardhana Motherson B.V, Samvardhana Motherson Peguform GmbH (formerly known as Forgu GmbH), Samvardhana Motherson Peguform Barcelona S.L.U (earlier known as Peguform Module Division Iberica Cockpits s.l, SMP Automotive Solutions Personalleasings GmbH (formerly Peguform Personalleasing GmbH), SMP Automotive Systems Mexico S.A. de C.V. (earlier known as Peguform Mexico S.A.de C.V.) and SMP Automotive Produtos Automotivos do Brasil Ltda (formerly Peguform Do Brasil Ltda); (b) first and exclusive charge over all the current assets of the SMP Deutschland GmbH (formerly Peguform GmbH) and SMP Automotive Technology Iberica S.L. (formerly known as Peguform Iberica S.L) and their subsidiaries; (c) pledge over 80% shareholding acquired of SMP Deutschland GmbH (formerly Peguform GmbH) and SMP Automotive Technology Iberica S.L. (formerly known as Peguform Iberica S.L). (d) negative lien over 50% shares of Chanchun Peguform Automotive Plastics Technology Co. Ltd.	Repayable on quarterly installment commencing from August 2012 until November 2017. The applicable rate of interest is 3 months EURIBOR plus 3.75%
ix	Loan amounting to ₹ 147 million (March 31, 2013: ₹ 95 million) secured by General Notarial Bond on assets of Vacuform 2000 Pty Ltd.	1) ₹ 55 million (March 31, 2013 : ₹ Nil) is repayable in 60 equal installments commencing from 31 January 2015. 2) ₹ 92 million (March 31, 2013 : ₹ 95 million) is repayable 60 equal installments commencing from 31 March 2014. The applicable rate of interest in respect of these loans is within a range of 6% p.a. to 12% p.a.
x.	Loan amounting to ₹ 409 million (March 31, 2013: ₹ 370 million) secured by mortgage of land and plant and machinery of SMR Brasil Ltda.	Repayable in 6 half yearly installments commencing from Sep 2013. The applicable rate of interest is CDI + 4% spread per year.
xi.	Loan amounting to ₹Nil (March 31, 2013: ₹ 451 million) secured by first rank mortgage right on the specified assets of SMR Automotive Mirror Technology Hungary Bt. and Corporate Guarantee of Samvardhana Motherson Reflectec Group Holdings Limited.	Fully repaid in 2013-14.
xii.	Loan amounting to ₹ 137 million (March 31, 2013: ₹ 133 million) secured by mortgage on the plant of SMR Automotive Systems Spain S.A.U.	Repayable in 60 equal monthly installments (after 2 years moratorium) until September 2018. The applicable rate of interest is 5.39% p.a.
xiii	Loan amounting to ₹ 42 million (March 31, 2013: ₹ Nil) secured against purchase order from customers.	Bullet repayment at once when purchase order from customer is paid. The applicable rate of interest is 3.79% p.a.

Notes to the consolidated financial statements

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

	Nature of Security	Terms of Repayment
xiv.	Loan amounting to ₹ 189 million (March 31, 2013: ₹ 244 million) secured by mortgage of land and plant & machinery at SMR Automotive System (Thailand) Ltd and additionally by Corporate Guarantee of Samvardhana Motherson Reflectec Group Holdings Limited.	Repayable in 60 equal monthly installments until August 2017. The applicable rate of interest is MLR - 1.25% p.a.
xv	Loan amounting to ₹ 63 million (March 31, 2013: ₹ Nil) secured against Plastic Molding Machine Equipments of SMR Automotive System (Thailand) Ltd	Repayable in 48 equal monthly installments until June 2018. The applicable rate of interest is 6% p.a. "
xvi	Loan amounting to ₹ Nil (March 31, 2013: ₹ 1,392 million) secured by first pari passu charge/assignment of all receivables, moveable assets, Intangible assets and immovable assets of SMR Automotive Mirror Parts and Holding UK limited, SMR Automotive Mirror UK Limited, SMR Automotive Mirror Services UK Limited and SMR Automotive Services Portchester Limited. Further, secured by Corporate Guarantees issued by MSSL and Samvardhana Motherson International Limited (SMIL) (formerly known as Samvardhana Motherson Finance Limited).	Fully repaid in 2013-14. The applicable rate of interest is 3 month Euribor + 3.50% p.a.
xvii.	Loan amounting to ₹ 68 million (March 31, 2013: ₹ 67 million) Secured against Mortgage of Plant of SMR Automotive Systems Spain S.A.U	Repayable in 84 monthly installments until December 2019. The applicable rate of interest is 5.42 % "
xviii.	Loan amounting to ₹ 849 million (March 31, 2013: ₹ 152 million) Secured against: 1) General notarial bond to the value of ZAR 181,000,000 plus additional costs over the movable assets of the Company`s Durban plant, in favour of the Lender. 2) The special notarial bond to the value of ZAR 95,000,000 plus additional costs over the plant and equipment assets of the Company funded using the Plant and Equipment Loan in favour of the Lender. 3) a first mortgage bond over the property to the value of ZAR 80,000,000 plus additional costs, in favour of the Lender.	Repayable in monthly installments commencing from October' 2014 till June' 2020. The applicable rate of interest is 3 % below the Prime Rate as applicable in South Africa"
xix.	Loan amounting to ₹ 70 million (March 31, 2013: ₹ 193 million) Secured against receivables, 2 generators and paint line of SMP Automotive Produtos Automotivos do Brasil Ltda.	1) ₹ Nil (March 31, 2013 : ₹ 87 million) fully repaid in 2013-14. 2) ₹ 70 million (March 31, 2013 : ₹ 106 million) is repayable in monthly installments upto October' 2014. The applicable rate of interest is CDI (Inter Bank Deposit Certificate - Brasilian) + 8% spread per year.
xx	Loan amounting to ₹ 1,980 million (March 31, 2013: ₹ Nil) Secured against: i) Charge over fixed assets of SMP Automotive Exterior GmbH ii) Pledge of shares of SMP Automotive Exterior GmbH iii) Corporate guarantee of MSSL & SMIL in the ratio of 51%:49%	Repayable in quarterly payment amounting Euro 2.5 Million until October' 2021. The applicable rate of interest is 3M-Euribor+3.9% margin

	Nature of Security	Terms of Repayment
xxi	Loan amounting to ₹ 2,995 million (March 31, 2013: ₹ Nil) Secured against: i) Second charge over current assets of SMP Deutschland GmbH (formerly Peguform GmbH) and all its German subsidiaries. ii) Corporate Guarantee of Samvardhana Motherson International Limited alongwith pledge of MSSL shares (1.5x times on outstanding loan) for an amount 1.1x of outstanding loan.	Repayable in 3 installments of Euro 12.1 Million each starting from November' 15. The applicable rate of interest is 3 months USD LIBOR plus 4%
xxii	Loan amounting to ₹ 101 million (March 31, 2013: ₹ Nil) Secured against Machines.	Repayable in equal monthly installments commencing from September 2014. The applicable rate of interest is 5.5 %
xxiii	Loan amounting to ₹ 69 million (March 31, 2013: ₹ Nil) Secured against Specified Machinery.	Repayable in equal monthly installments commencing from November 2013. The applicable rate of interest is 5.92 %
xxiv	Loan amounting to ₹ 31 million (March 31, 2013: ₹ Nil).	Repayable in equal monthly installments commencing from September 2014. The applicable rate of interest is 5.5 %
	Long terms Rupee Loans from Other than Banks include:	
i.	Loan amounting to ₹ 26 million (March 31, 2013: ₹ 37 million) secured by against land acquired from NOIDA authority under installment plan.	Repayable in 6 half yearly installments till December 2015 carrying interest of 11% p.a.
ii.	Loan amounting to ₹ Nil (March 31, 2013: ₹ 2 million) from other than banks is secured against the vehicles purchased against such loan.	Fully repaid in 2013-2014.
	Foreign Currency Finance Lease Liabilities Other than Banks include:	
i.	Finance Leases amounting to ₹ 2,313 million (March 31, 2013: ₹ 2,208 million) are secured by hypothecation of assets underlying the leases.	₹ 1,601 million (March 31, 2013 : ₹ 1,769 million) repayable in quarterly installments. ₹ 525 million (March 31, 2013 : ₹ 357 million) repayable in monthly installments. ₹ 128 million (March 31, 2013 : ₹ 49 million) repayable in two installments per year upto August 2015. ₹ 59 million (March 31, 2013 : ₹ 33 million) repayable in monthly installments."
(b)	**Terms of repayment for unsecured borrowings:** **Unsecured Foreign Currency Term Loans from Banks:**	
i.	Loan amounting to ₹ 1,198 million (March 31, 2013: ₹ 1,086 million). The Company has given a negative lien on the assets purchased out of the said facility	Repayable in 3 yearly installments commencing from January 2015 till January 2017.
ii.	Loan amounting to ₹ 599 million (March 31, 2013: ₹ 815 million) Secured by: 1) Corporate guarantee of Motherson Sumi Systems Limited (MSSL) for 100% of facility amount. 2) Undertaking from MSSL and SMIL that they would not reduce there shareholding in SMR below 75%.	Repayable in 4 annual installments.

Notes to the consolidated financial statements

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

	Nature of Security	Terms of Repayment
iii.	Loan amounting to ₹ 761 million (March 31, 2013: ₹ 1,103 million) Secured by: 1) Corporate gurantee of Motherson Sumi Systems Limited (MSSL) for 100% of facility amount. 2) Negative lien on pledge of shares of operating subsidiaries of Samvardhana Motherson Reflectec Group Holdings Limited 3) Negative lien on assets of operating subsidiaries for any loan availed in operating subsidiaries of SMR over and above Euro 30 million on consolidated basis. 4) Undertaking from MSSL and SMIL that they would not reduce there shareholding in SMR below 75%.	Repayable in 16 quarterly installments.
iv.	Loan amounting to ₹ 712 million (March 31, 2013: ₹ 652 million) Secured by: 1) Negative lien on pledge of shares of operating subsidiaries of Samvardhana Motherson Reflectec Group Holdings Limited 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 MSSL and SMIL that they would not reduce there shareholding in SMR below 75%.	Repayable in 16 quarterly installments.
v.	Loan amounting to ₹ 539 million (March 31,2013: ₹ 609 million) Secured by Corporate Guarantee from SMR Korea.	Repayable in 3 Years.
vi.	Loan amounting to ₹ 1,733 million (March 31,2013: ₹ 300 million), unsecured.	Loan amounting to ₹ 2 million (March 31, 2013: ₹4 million) repayable in monthly installments upto August, 2015. Loan amounting to ₹ 52 million (March 31, 2013: ₹ 52 million) repayable in monthly installments upto April, 2019. Loan amounting to ₹ 42 million (March 31, 2013: ₹ 42 million) repayable in monthly installments upto February' 2015 Loan amounting to ₹ 116 million (March 31, 2013: ₹ 116 million) repayable in monthly installments upto May' 2015 Loan amounting to ₹ 46 million (March 31, 2013: ₹ 46 million) repayable in monthly installments upto November' 2013 Loan amounting to ₹ 7 million (March 31, 2013: ₹ 7 million) repayable in monthly installments upto September' 2015. Loan amounting to ₹ 10 million (March 31, 2013: ₹ 13 million) repayable in monthly installments upto January' 2016. Loan amounting to ₹ 5 million (March 31, 2013: ₹ 6 million) repayable in monthly installments upto January' 2016. Loan amounting to ₹ 11 million (March 31, 2013: ₹ 14 million) repayable in monthly installments upto December' 2015. Loan amounting to ₹ 62 million (March 31, 2013: ₹ Nil). Bullet Repayment in March' 2015. Loan amounting to ₹ 83 million (March 31, 2013: ₹ Nil). Bullet Repayment in September' 2015.

Notes to the consolidated financial statements

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

Nature of Security	Terms of Repayment
	Loan amounting to ₹ 58 million (March 31, 2013: ₹ Nil) Repayable in 12 equal monthly installments (after 1 year moratorium) until February 2016. Loan amounting to ₹ 1,237 million (March 31, 2013: ₹ Nil) Bullet Repayement in August 2017. Loan amounting to ₹ 2 million (March 31, 2013: ₹ Nil) Repayment due in November' 2015.
Unsecured Rupee Loans from Other then Banks -	Loan amounting to ₹ 2 million (March 31, 2013: ₹ 2 million) are non cumulative preference shares allotted to joint venturer, compulsorily convertible into equity shares of KIML at the end of 20 years from the date of issue i.e. 24th March 2010. Loan amounting to ₹ 112 million (March 31, 2013: ₹ Nil) repayble in 10 equal half yearly installments commencing from April 2016. Loan amounting to ₹ 12 million (March 31, 2013: ₹ Nil) repayable in December 2015.
Unsecured Foreign Currency Loans from Other then Banks -	Loan amounting to ₹ 6 million (March 31, 2013: ₹ 7 million) repayable in half yearly installments until June 2016. Loan amounting to ₹ 25 million (March 31, 2013: ₹ 27 million) repayable until March 2015. Loan amounting to ₹ 48 million (March 31, 2013: ₹ 50 million) with no repayments. Loan amounting to ₹ 169 million (March 31, 2013: ₹ 153 million) repayable in quarterly installments until June 2025. Loan amounting to ₹ Nil (March 31, 2013: ₹ 6 million) fully paid in 2013-14. Loan amounting to ₹ 157 million (March 31, 2013: ₹ 132 million) renewable yearly. Loan amounting to ₹ 48 million (March 31, 2013: ₹ 49 million) repayable in 10 yearly installments commencing from 2074. Loan amounting to ₹ 35 million (March 31, 2013: ₹ 34 million) repayable in various installments starting after 4 years to be repaid in 10 years with final maturity in 2026. Loan amounting to ₹ 19 million (March 31, 2013: ₹ 8 million) repayable in various installments starting after 2 years to be repaid in 12 years. Loan amounting to ₹ 30 million (March 31, 2013: ₹ 18 million) repayable in half yearly installments upto January, 2025. Loan amounting to ₹ 123 million (March 31, 2013: ₹ 101 million) repayable in 3 repayment per year upto June, 2026. Loan amounting to ₹ 526 million (March 31, 2013: ₹ Nil) repayable in 9 Equal half yearly instalment from 36 month from date of each drawdown. Loan amounting to ₹ 200 million (March 31, 2013: ₹ Nil) installments commencing from 2074.

Nature of Security	Terms of Repayment
Unsecured Foreign Currency Loans from Related Party -	Loan amounting to ₹ 20 million (March 31, 2013: ₹ 20 million) repayable until June 2014. Loan amounting to ₹ 5 million (March 31, 2013: ₹ 4 million) repayable upto January' 2015. Loan amounting to ₹ 4 million (March 31, 2013: ₹ 4 million) repayable upto June' 2015. Loan amounting to ₹ 2 million (March 31, 2013: ₹ 2 million) repayable upto November' 2015. Loan amounting to ₹ 2 million (March 31, 2013: ₹ 2 million) repayable upto February' 2016. Loan amounting to ₹ 2 million (March 31, 2013: ₹ Nil) repayable upto December' 2016 Loan amounting to ₹ 3 million (March 31, 2013: ₹ Nil) repayable upto December' 2016 Loan amounting to ₹ 2 million (March 31, 2013: ₹ Nil) repayable upto December' 2017
Unsecured Rupee Loans from Related Party -	Loan amounting to ₹ 560 million (March 31, 2013: ₹ Nil) repayable upto November' 2015

In respect of a long term borrowing aggregating to ₹ 8,243 million (2012-13) in respect of which certain financial ratio covenants were not met in the previous financial year, the Group has obtained the requisite waiver from the banks.

Further, long term borrowings aggregating ₹ 250 million (Previous Year ₹ 243 million) availed by one of the subsidiary of the Group has been reclassified into current maturities since one of the financial covenants has not been met. If there is no breach the amount payable within one year should have been ₹ 65 million (Previous Year ₹ 56 million). However, the subsidiary has not received any notice for repayment by the bank.

6. Deferred tax liabilities (Net)

	As At March 31, 2014	As At March 31, 2013
Deferred tax liabilities		
Depreciation	1,683	1,477
Others	236	126
Deferred tax assets		
Employee benefits	71	101
Others	168	61
Total	**1,680**	**1,441**

Deferred Tax Assets and Deferred Tax Liabilities have been offset to the extent they relate to the same governing taxation laws.

7. Other long term liabilities

	As At March 31, 2014	As At March 31, 2013
Trade payables (including acceptances)	16	24
Capital Payables [1]	-	-
Advance from customers	234	929
Unearned revenue	1,647	1,054
Retention money	4	27
Security deposit received	74	103
Advance recovery from employees	59	40
Others	49	211
Total	**2,083**	**2,388**

[1] Amount is below the rounding off norm adopted by the Company

Notes to the consolidated financial statements

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

8. Long term provisions

		As At March 31, 2014	As At March 31, 2013
i)	**Provision for employee benefits**		
	- for gratuity and pensions (Refer note 42)	1,036	894
	- for compensated absences (Refer note 42)	176	165
	- Others	654	498
ii)	**Other Provisions (Refer note 38)**		
	- for warranties	114	51
	- for litigations	63	71
	Total	**2,043**	**1,679**

9. Short Term Borrowings

		As At March 31, 2014	As At March 31, 2013
Secured:			
i)	Loans repayable on demand- from banks		
	- Rupee Loan [1]	1,495	498
	- Foreign Currency Loan [2]	3,901	2,949
ii)	Other short term loans - from banks		
	- Rupee Loan [3]	718	1,761
	- Foreign Currency Loan [4]	2,310	5,266
Unsecured:			
i)	Loans repayable on demand- from banks		
	- Rupee Loan	245	170
	- Foreign Currency Loan	1,290	2,480
ii)	Loans repayable on demand- from related party (Refer note 40)		
	- Rupee Loan	-	10
iii)	Other short term loans - from banks		
	- Rupee Loan	12	419
	- Foreign Currency Loan	140	-
	Total	**10,111**	**13,553**

Nature of Security for secured borrowings:

1 ₹ 1,240 million (March 31,2013: ₹ 368 million) secured by first pari passu charge on entire current assets of the Company including receivables, both present and future and second pari passu charge over the fixed assets of the Company including equitable mortgage of specified properties.

₹ 16 million (March 31,2013: ₹ 22 million) secured by first charge by way of hypothecation of all stocks and book debts and by second charge on plant & machinery and other immoveable property both present and future of Kyungshin Industrial Motherson Limited.

₹ 89 million (March 31,2013: ₹ 108 million) secured by first pari-passu charge both present and future on all current assets of SMR Automotive Systems India Limited.

₹ 150 million (March 31,2013: ₹ Nil) secured by First & Exclusive charge on entire moveable and immoveable fixed assets of the company at the company owned Chennai plant.

2 ₹ Nil (March 31,2013: ₹ 273 million) secured by pledge over the Paint Shop at Plant 1 of SMR Automotive Mirror Technology Hungary Bt and moveable inventories of SMR Automotive Mirror Technology Hungary Bt and Corporate Guarantee of Samvardhana Motherson Reflectec Group Holdings Limited.

₹ Nil (March 31,2013: ₹ 207 million) secured by assignment of receivables of SMR Automotive Mirror Technology Hungary Bt and Corporate Guarantee of Samvardhana Motherson Reflectec Group Holdings Limited.

₹ 600 million (March 31,2013: ₹ 610 million) secured by pledge over the moveable inventories of SMR Automotive Mirror Technology Hungary Bt and Corporate Guarantee of Samvardhana Motherson Reflectec Group Holdings Limited.

₹ 1,114 million (March 31,2013: ₹ 354 million) secured by pledge over receivables and inventory of SMR Automotive Systems USA Inc.

₹ 414 million (March 31,2013: ₹ 370 million) under factoring arrangements, secured against underlying receivables of SMR Automotive Systems France S.A.

₹ Nil (March 31, 2013: ₹ 79 million) secured by credit for tooling purchases of SMR Automotive Systems Spain S.A.U.

₹ 302 million (March 31,2013: ₹ 457 million) secured against Account Receivables of SMR Automotive Mirror Technology Hungary Bt.

₹ 57 million (March 31,2013: ₹ 124 million) secured by Corporate Guarantee of SMR Jersey and Mortgage over Land and Machinery at SMR Automotive System (Thailand) Ltd.

₹ 277 million (March 31,2013: ₹ 311 million) secured against fixed and floating charges over all assets of SMR Automotive Australia Pty Ltd.

₹ 161 million (March 31,2013: ₹ 164 million) secured against mortgage of land, building and plant and machinery of SMR Automotive Brasil Ltda.

₹ 785 million (March 31,2013: ₹ Nil) secured against account receivables of SMR Automotive Mirrors UK Ltd.

₹ 120 million (March 31,2013: ₹ Nil) secured by the mortgage of the Building at SMR Automotive Vision Systems Mexico S.A. de C.V.

₹ 71 million (March 31,2013: ₹ Nil) secured over assets (like land and building and sets of tangible fixed assets, customer receivables and subordination of intercompany loans granted by group companies) of MSSL Advanced Polymers s.r.o.

3 ₹ Nil (March 31,2013: ₹ 1,511 million) secured by first charge by way of hypothecation of all present and future stocks, book debts and other specified moveable assets and second charge by way of hypothecation of all present and future immoveable property of MSSL.

₹ Nil (March 31,2013: ₹ 250) Commercial papers secured against working capital limits, secured by first pari passu charge on entire current assets of the Company including receivables, both present and future and second pari passu charge over the fixed assets of the Company including equitable mortgage of specified properties.

₹ 718 million (March 31,2013: ₹ Nil) secured by first pari passu charge on entire current assets of the Company including receivables, both present and future and second pari passu charge over the fixed assets of the Company including equitable mortgage of specified properties.

4 ₹ Nil (March 31,2013: ₹ 706 million) secured by first pari passu charge on entire current assets of the Company including receivables, both present and future and second pari passu charge over the fixed assets of the Company including equitable mortgage of specified properties.

₹ Nil (March 31,2013: ₹ 47 million) secured over assets (like land and building and sets of tangible fixed assets, customer receivables and subordination of intercompany loans granted by group companies) of MSSL Advanced Polymers s.r.o.

₹ Nil (March 31,2013: ₹162 million) secured by way of mortgage over land & property of Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd .

₹ Nil (March 31,2013: ₹ 108 million) secured by the mortgage of the Building at SMR Automotive Vision Systems Mexico S.A. de C.V.

₹ 2,310 million (March 31,2013: ₹ 4,176 million) secured by:

(a) first ranking security interest over all assets ((including brands, patents, intangibles, investments in group companies)) of the SMP Deutschland GmbH (formerly Peguform GmbH) and SMP Automotive Technology Iberica, S.L (formerly Peguform Iberica S.L.), Samvardhana Motherson B.V, Samvardhana Motherson Peguform GmbH (formerly Forgu GmbH), Samvardhana Motherson Peguform Barcelona, S.L.U. (formerly Peguform Module Division Iberica Cockpits S.L.), SMP Automotive Solutions Personalleasings GmbH (formerly Peguform Personalleasing GmbH), SMP Automotive Systems Mexico S.A. de C.V.(formerly Peguform Mexico S.A. de C.V.) and SMP Produtos Automotivos do Brasil Ltda. (formerly Peguform do Brasil Ltda.).

(b) First and exclusive charge over all the current assets of the SMP Deutschland GmbH (formerly Peguform GmbH) and SMP Automotive Technology Iberica, S.L (formerly Peguform Iberica S.L.) and their subsidiaries.

(c) Pledge over 80% shareholding acquired of SMP Deutschland GmbH (formerly Peguform GmbH) and SMP Automotive Technology Iberica, S.L (formerly Peguform Iberica S.L.).

(d) Negative lien over 50% shares of Chanchun Automotive Plastics Technology Co. Ltd."

₹ Nil (March 31,2013: ₹ 67 million) secured by Purchase Order from OEM of SMR Automotive Systems Spain S.A.U

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

Notes to the consolidated financial statements

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

10. Trade Payables

	As At March 31, 2014	As At March 31, 2013
Trade Payables (including acceptances)		
- due to micro and small enterprises	14	54
- others	40,903	31,754
Total	**40,917**	**31,808**

11. Other Current Liabilities

	As At March 31, 2014	As At March 31, 2013
Other current liabilities		
- Current maturities of long term debt (Refer Note 5)	7,813	7,844
- Current maturities of finance lease obligations (Refer Note 5)	639	483
- Interest accrued but not due on borrowings	211	162
- Interest accrued and due on borrowings [1]	-	0
- Revenue received in advance	1,312	1,293
- Unpaid dividends (Refer note (a) below)	13	32
- Accrued salaries and benefits	4,570	3,672
- Statutory dues payable	4,363	2,960
- Advances received from customers	3,799	1,652
- Security deposit received	9	6
- Recovery against vehicle loans	34	26
- Others	2,004	1,626
Total	**24,767**	**19,756**

(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.

[1] Amount is below the rounding off norm adopted by the Company.

12. Short Term Provisions

		As At March 31, 2014	As At March 31, 2013
i)	**Provision for employee benefits**		
	- Provision for gratuity and pensions (Refer note 42)	76	110
	- Provision for compensated absences (Refer note 42)	118	84
	- Provision for others	51	47
ii)	**Other Provisions**		
	- Provision for warranties (Refer note 38)	757	486
	- Provision for other litigations (Refer note 38)	93	20
	- Provision for onerous contracts (Refer note 38)	1	40
	- Provision for proposed dividend on equity shares	2,205	1,176
	- Provision for dividend distribution tax on proposed dividend on equity shares	375	200
	- Provision for income tax	989	1,376
	- Provision for wealth tax	2	2
	- Provision for other taxes	3	3
	- Provision for others	29	32
	Total	**4,699**	**3,576**

13. Fixed Assets

Particulars	GROSS BLOCK						DEPRECIATION / AMORTIZATION						NET BLOCK	
	As at April 1, 2013	Additions during the year	Disposals	Other Adjustments [1]	Exchange Translation Adjustment	Total as at March 31, 2014	Upto March 31, 2013	Depreciation / Amortization for the year [2a, 2b & 3]	Depreciation/ Amortization on Deletions / Sale/ Adjustments	Other Adjustments [1]	Exchange Translation Adjustment	Upto March 31, 2014	As at March 31, 2014	As at March 31, 2013
TANGIBLE ASSETS														
Own Assets:														
Leasehold Land	1,623	60	-	-	56	1,739	187	29	0	-	20	236	1,503	1,436
Freehold Land	3,025	320	-	9	206	3,542	-	-	-	-	-	-	3,542	3,025
Leasehold Improvements	153	62	-	-	16	231	125	25	-	-	15	165	66	28
Buildings	19,244	1,860	103	-	1,828	22,829	4,932	805	78	0	640	6,299	16,530	14,312
Plant & Machinery	68,441	6,091	2,524	(0)	7,842	79,850	41,292	5,809	2,108	6	5,099	50,086	29,764	27,149
Furniture & fixtures	2,411	441	281	(259)	375	3,205	1,631	473	264	(6)	265	2,111	1,094	780
Office equipments	1,698	161	79	259	168	1,689	1,066	152	19	(1)	126	1,326	363	632
Computers	2,356	163	35	-	351	2,835	2,106	156	35	(0)	322	2,549	286	250
Vehicles	658	104	107	-	29	684	433	113	98	0	21	469	215	225
Total (A)	**99,609**	**9,262**	**3,129**	**9**	**10,871**	**116,604**	**51,772**	**7,562**	**2,602**	**(1)**	**6,508**	**63,241**	**53,363**	**47,837**
Assets Taken on Finance Lease:														
Buildings	1,192	-	-	212	243	1,223	254	36	-	(36)	51	377	846	938
Plant & Machinery	3,122	286	1	(212)	436	4,055	1,336	244	-	36	237	1,781	2,274	1,786
Furniture & fixtures	-	-	-	(8)	1	9	-	-	-	(8)	1	9	0	-
Office equipments	3	-	-	-	(0)	3	3	-	-	-	(0)	3	(0)	0
Computers	5	-	-	-	1	6	3	-	-	-	1	4	2	2
Vehicles	8	-	-	8	-	-	8	-	-	8	-	-	-	-
Total (B)	**4,330**	**286**	**1**	**(0)**	**681**	**5,296**	**1,604**	**280**	**-**	**(0)**	**290**	**2,174**	**3,122**	**2,726**
TOTAL TANGIBLE ASSETS (A+B)	**103,939**	**9,548**	**3,130**	**9**	**11,552**	**121,900**	**53,376**	**7,842**	**2,602**	**(1)**	**6,798**	**65,415**	**56,485**	**50,563**
INTANGIBLE ASSETS														
Goodwill on Consolidation	1,635	-	-	-	294	1,929	45	-	-	-	-	45	1,884	1,590
Technical Knowhow fees	313	-	16	-	47	344	166	18	11	-	24	197	147	147
Business & Commercial Rights	14	27	5	-	0	36	14	7	-	(7)	2	30	6	-
Intellectual Property Rights	548	276	28	-	97	893	467	35	11	8	82	565	328	81
Software	976	123	13	-	148	1,234	587	233	12	-	87	895	339	389
TOTAL INTANGIBLE ASSETS	**3,486**	**426**	**62**	**-**	**586**	**4,436**	**1,279**	**293**	**34**	**1**	**195**	**1,732**	**2,704**	**2,207**
GRAND TOTAL	**107,425**	**9,974**	**3,192**	**9**	**12,138**	**126,336**	**54,655**	**8,135**	**2,636**	**(0)**	**6,993**	**67,147**	**59,189**	**52,770**
Previous Year	94,324	12,666	1,684	221	2,340	107,425	47,402	7,132	1,281	1	1,403	54,655	52,770	46,922

[1] Other Adjustments are primarily related to reclassifications.

[2a] Includes impairment loss amounting to ₹ Nil (Previous Year ₹ 200 million) recognised during the year.

[2b] Includes reversal of excess impairment loss of ₹ 10 million (Previous Year ₹ Nil) provided in previous year.

[3] Includes depreciation of Rs 9 million (Previous Year ₹ 8 million) capitalised during the year on assets used for creation of self generated assets. (Refer Note. 31)

Amounts appearing as zero "0" are below the rounding off norm adopted by the Company

Notes to the consolidated financial statements

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

14. Non Current Investments

			As At March 31, 2014	As At March 31, 2013
	Investment Property (at cost less accumulated depreciation) [1]			
	Cost of Buildings		803	576
	Add: Additions during the year		7	235
	Less: Deletions during the year		-	22
	Add: Exchange translation adjustment		106	14
	Gross Block		**916**	**803**
	Accumulated depreciation:			
	Opening balance		189	168
	Add: Depreciation for the year		46	21
	Add: Additions/(Deletion) during the year		-	(4)
	Add: Exchange translation adjustment		34	4
	Net Investment Properties		**647**	**614**
	Trade Investments (Unquoted, valued at cost)			
	Investment in associates:			
i.	Saks Ancilliaries Limited			
	1,000,000 equity shares (Previous year:1,000,000) of ₹ 10/- each fully paid up			
	Net asset value as at the beginning of the year	30		
	Add: Share of profit/ (loss) for current year	2	32	30
ii	Re-time Pty Limited			
	406 equity share (Previous year: 406) of AUD 1/- each fully paid up			
	Investment at the acquisition date	30		
	Addition acquired during the period	-		
	Add: Share of profit/ (loss) for current year	(4)		
	Add: Exchange difference	(1)	25	30
	Investment in Partnership Firm			
	Faro Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG, Mainz [2]		0	-
	94 % contribution towards nominal capital without any voting rights			
	Others:			
	Purpurin Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG [2]		0	0
	94 equity shares (Previous year: 94) of Euro 51.129 each fully paid up			
	Other Investments (valued at cost, unless stated otherwise)			
	Investment in equity instruments:			
	Quoted:			
	Ssangyong Motor Corporation 18,040 Equity shares (Previous year 18,040 Equity shares) of Euro 3.394 per equity share		9	5
	Unquoted:			
i.	Motherson Sumi Infotech & Designs Ltd.		13	13
	1,250,000 7% preference shares (Previous year 1,250,000) of ₹ 10/- each fully paid up			
ii.	Motherson Sumi Infotech & Designs Ltd.		14	14
	1,200,000 Equity shares (Previous year 1,200,000) of ₹ 10/- each fully paid up			
iii.	Motherson Air Travel Agencies Ltd.		1	1
	120,000 equity shares (Previous year 120,000) of ₹ 10/- each fully paid up			

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

		As At March 31, 2014	As At March 31, 2013
iv.	Green Infra Wind Power Projects Limited	1	1
	120,000 Equity shares (Previous year 120,000) of ₹10/- each fully paid up		
v.	Comunidad de Vertidos, "Les Carrases"	5	4
	882 Equity shares (Previous year 882) of Euro 69.494/- each fully paid up		
vi.	Daewoo Automotive securities	2	4
	5,861 Bonds (Previous year 5,861 Bonds) of Euro 3.334 per bond		
	Investments (Net)	**749**	**716**
	Aggregate amount of quoted investments	9	5
	Market value of quoted investments	11	5

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

[2] Amount is below the rounding off norm adopted by the Company.

15. Deferred tax assets (Net)

	As At March 31, 2014	As At March 31, 2013
Deferred tax assets		
Depreciation	156	75
Employee benefits	41	25
Others	994	795
Deferred tax liabilities		
Others	7	13
Total	**1,184**	**882**

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

16. Long term loans and advances

	As At March 31, 2014	As At March 31, 2013
Unsecured, considered good (unless otherwise stated)		
Capital advances [1]	2,644	913
Security deposits		
- Considered good	187	116
- Considered doubtful [2]	0	0
Less: Allowance for doubtful security deposits[1]	(0)	(0)
Security deposits to related parties	194	141
Loans and advances to related parties [2]	235	0
Advances to be recoverable in cash or in kind for value to be received	11	68
Other loans and advances		
Prepaid expenses	184	195
Housing loan to employees	28	26
Balances with Government Authorities	83	48
Total	**3,566**	**1,507**

[1] Includes ₹ 36 million to related parties

[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)

17. Other Non Current Assets

	As At March 31, 2014	As At March 31, 2013
Unsecured, considered good		
Long term trade receivables (including trade receivables on deferred credit terms)	1,477	1,067
Non current bank balance with original maturity for more than 12 months	141	130
Other receivables	291	157
Total	**1,909**	**1,354**

18. Current Investments

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

[1] All the above amounts are below the rounding off norm adopted by the Company

Notes to the consolidated financial statements

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

19. Inventories

	As At March 31, 2014	As At March 31, 2013
Raw Materials	10,499	9,312
Raw Materials in transit	895	801
Work in progress	15,273	10,723
Finished Goods	4,624	3,591
Finished Goods in transit	286	204
Traded Goods	372	614
Traded Goods in transit	4	-
Stores and spare parts	732	640
Loose tools [1]	0	-
Loose tools in transit	137	151
Total	**32,822**	**26,036**

[1] All the above amounts are below the rounding off norm adopted by the Company

20. Trade Receivables

	As At March 31, 2014	As At March 31, 2013
i) Trade receivables		
- Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	165	874
Doubtful	421	326
	586	**1,200**
Less: Provision for doubtful receivables	421	326
	165	**874**
- Other receivables		
Unsecured, considered good	32,219	28,526
Doubtful	104	155
	32,323	**28,681**
Less: Provision for doubtful receivables	104	155
	32,219	**28,526**
Total	**32,384**	**29,400**

21. Cash and bank balances

	As At March 31, 2014	As At March 31, 2013
Cash and Cash Equivalents		
Balances with banks:		
– in current accounts	8,045	4,978
– deposits with original maturity of less than three months	216	807
Cheques and drafts on hand	21	30
Cash on hand	23	30
	8,305	**5,845**
Other Bank Balances		
– Deposits with original maturity for more than three months but less than twelve months	743	88
– on unpaid dividend account	13	11
	756	**99**
Total	**9,061**	**5,944**

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

22. Short Term Loans and Advances

	As At March 31, 2014	As At March 31, 2013
Unsecured, considered good (unless otherwise stated)		
Security Deposits	43	45
Loans and advances to related parties	320	195
Advances to be recoverable in cash or kind		
Unsecured, considered good	3,421	3,002
Doubtful	18	8
	3,439	**3,010**
Less: Provision for doubtful advances	18	8
	3,421	**3,002**
Other loans and advances		
Advance income-tax	39	68
Prepaid expenses	183	293
Loans to employees	79	42
Balances with Government Authorities [1]	2,063	2,055
Interest receivable	14	8
	2,378	**2,466**
Total	**6,162**	**5,708**

[1] Net of provision for doubtful advances ₹ 178 million (Previous year ₹ 115 million) towards our share of the balances of cenvat recoverable in respect of one of the Company's joint ventures, which are accumulating in view of rates of taxes on purchase of input goods being higher than those recovered on the finished goods.

23. Other current assets

	As At March 31, 2014	As At March 31, 2013
Unsecured, considered good (unless otherwise stated)		
Interest accrued on fixed deposits	3	2
Capital Subsidy Receivable	48	49
Other Receivables	75	48
Total	**126**	**99**

24. Revenue From Operations (Net)

	For the year ended March 31, 2014	For the year ended March 31, 2013
Sales of Products		
Finished Goods		
Within India	51,324	50,935
Outside India	256,268	204,191
Traded Goods	1,682	2,791
Sales of Services / Service Income	461	539
Other operating revenue:		
Scrap sales	212	302
Job work income	27	30
	309,974	**258,788**
Less: Excise Duty	5,695	5,664
Total	**304,279**	**253,124**

Notes to the consolidated financial statements

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

25. Other Income

	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest Income	165	121
Dividend Income		
- From non current investments	3	2
- From current investments [1]	0	0
Rent	171	167
Change in carrying amount of current investments	1	1
Profit on Sale of fixed assets	37	93
Export Incentives	32	3
Liabilities no longer required written back	396	286
Government Grants & Subsidies	590	585
Miscellaneous recovery from customers	1,066	752
Profit on sale of Investments [1]	0	-
Miscellaneous Income	645	1,205
Total	**3,106**	**3,215**

[1] Amounts are below the rounding off norm adopted by the Company.

26. Cost of materials consumed

	For the year ended March 31, 2014	For the year ended March 31, 2013
Opening stock of raw materials	9,312	8,886
Opening stock of raw materials (on acquisition/ amalgamation)	-	99
Add : Purchases of raw materials	195,551	167,018
Less: Closing stock of raw materials	10,499	9,312
Add: Exchange adjustment:		
Exchange differences opening stock (gain)/loss	1,239	167
Exchange differences closing stock (loss)/gain	(46)	2
Total	**195,557**	**166,860**

27. Changes in inventory of finished goods, work in progress and stock in trade

	For the year ended March 31, 2014	For the year ended March 31, 2013
(Increase)/ decrease in stocks		
Stock at the opening of the year:		
Finished goods	3,795	3,339
Work-in-progress	10,723	8,285
Stock in trade	614	258
	15,132	**11,882**
Less: Stock at the end of the year:		
Finished goods	4,910	3,795
Work-in-progress	15,273	10,723
Stock in trade	376	614
	20,559	**15,132**
Add: Exchange adjustment:		
Exchange differences opening stock (gain)/loss	2,125	311
Exchange differences closing stock (loss)/gain	266	(91)
(Increase)/ decrease in stocks	**(3,036)**	**(3,030)**

Notes to the consolidated financial statements

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

28. Employee Benefits Expense

	For the year ended March 31, 2014	For the year ended March 31, 2013
Salary, Wages & Bonus	43,745	36,327
Contribution to Provident & Other Fund	5,595	4,903
Staff welfare expenses	1,611	1,426
Severence costs	113	171
Total	**51,064**	**42,827**

29. Other Expenses

	For the year ended March 31, 2014	For the year ended March 31, 2013
Electricity, Water and Fuel	5,945	5,189
Repairs and Maintenance		
Machinery	3,178	2,667
Building	1,002	820
Others	749	757
Consumption of Stores and Spare Parts	1,758	1,431
Conversion Charges	390	389
Excise Duty expenses [1]	4	18
Lease rent (operating leases) (Refer note 39)	3,168	2,665
Rates & taxes	697	507
Insurance	348	333
Exchange fluctuation (net)		
- Long term foreign currency loans	1,777	1,279
- others	104	348
Donation	27	35
Travelling	1,588	1,274
Freight & forwarding	3,701	3,348
Royalty	308	287
Cash Discount	135	140
Commission	18	11
Loss on sale of fixed assets (Net)	-	30
Provision for Diminution in value of investments (Net) [2]	-	0
Bad Debts/Advances written off	66	90
Doubtful Debts/Advances [3]	111	115
Auditors fees and expenses (Refer Note 36)	60	61
Legal & Professional expenses	2,902	2,509
Miscellaneous expenses	7,594	6,389
Total	**35,630**	**30,692**

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

[2] Amount is below the rounding off norm adopted by the Company.

[3] Provision for doubtful advances includes ₹ 63 million (Previous year ₹ 115 million) towards our share of the balances of cenvat recoverable in respect of one of the Company's joint ventures, which are accumulating in view of rates of taxes on purchase of input goods being higher than those recovered on the finished goods.

Notes to the consolidated financial statements

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

30. Finance Cost

	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest and Finance Expense		
- on non current borrowings	1,756	1,877
- on shortfall of advance tax	14	-
- other borrowing costs	655	438
- commitment charges on borrowings	236	-
- Others	282	180
Total	**2,943**	**2,495**

31. Depreciation and Amortization Expense

	For the year ended March 31, 2014	For the year ended March 31, 2013
Depreciation on Tangible assets [1a & 1b]	7,842	6,883
Amortization on Intangible assets	293	249
Depreciation on Investment Property	46	21
Less Capitalised during the year [2]	(9)	(8)
Total	**8,172**	**7,145**

[1a] The management, based on the review of future business plans, has estimated the value in use/ recoverable value to be lower than the carrying value of certain fixed assets and consequently recognised an impairment loss amounting to ₹ Nil (Previous year ₹ 200 million).

[1b] Includes reversal of excess impairment loss of ₹ 10 million (Previous Year ₹ Nil) provided in previous year.

[2] Depreciation on assets used for creation of self generated assets.

32. Contingent Liabilities:

A) Claims against the Company not acknowledge as debts#

		As at March 31, 2014	As at March 31, 2013
a)	Excise Matters	48	52
b)	Customs Demand Matters	-	1
c)	Sales Tax Matters	114	60
d)	Service Tax Matters	42	35
e)	Stamp Duty	5	5
f)	Claims made by workmen	18	29
g)	Income Tax Matters	88	64
h)	Warranty and Other claims	0*	-

Against which Company has given bank guarantees amounting to ₹ 35 million (Previous Year ₹ 34 million)

* Amount below rounding off norms adopted by the Company

(a) The Company does not expect any reimbursements in respect of the above contingent liabilities.

(b) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

B) In respect of one of its overseas subsidiaries in Brazil the subsidiary has been granted in the previous years a tax credit on imports. This tax credit is principally under an ongoing judicial discussion at the Brasilian Supreme Court but has been principally permitted by Brasilian Law. As the tax credit is still valid according to Brasilian Law and the outcome of the discussion of the Brasilian Supreme Court is not foreseeable yet and based on the legal advice received the potential risk is considered to be remote by Group Management.

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

33. Capital and Other Commitments

	As at March 31, 2014	As at March 31, 2013
(a) Capital Commitments		
Estimated value of contracts in capital account remaining to be executed not accounted as debt, Net of Advances of ₹ 2,644 million (Previous year ₹ 913 million)	3,860	605
Total	**3,860**	**605**

34. Disclosure relating to entities considered in the consolidated financial statements:

A. Details of subsidiaries which have been considered in these consolidated accounts are as follows:

Name of the Company	Country of Incorporation	% voting power held as at		Reporting Dates used for Consolidation
		March 31, 2014	March 31, 2013	
MSSL Mauritius Holdings Limited	Mauritius	100%	100%	March 31,2014
MSSL Mideast (FZE)	UAE	100%	100%	March 31,2014
Motherson Electrical Wires Lanka Private Limited	Sri Lanka	100%	100%	March 31,2014
MSSL Handels GmbH "in Liqui."	Austria	100%	100%	March 31,2014
MSSL (S) Pte Limited	Singapore	100%	100%	March 31,2014
MSSL (GB) Limited (held by MSSL Mideast (FZE))	UK	100%	100%	March 31,2014
Motherson Wiring System (FZE) (held by MSSL Mideast (FZE))	UAE	100%	100%	March 31,2014
MSSL Tooling (FZE) (held by MSSL Mideast (FZE))	UAE	100%	100%	March 31,2014
MSSL Ireland Private Limited (held by MSSL Mauritius Holdings Limited)	Ireland	100%	100%	March 31,2014
MSSL GmbH (held by MSSL Mideast (FZE))	Germany	100%	100%	March 31,2014
MSSL Polymers GmbH (merged with MSSL GmbH w.e.f 26.08.2013)	Germany	-	100%	-
Samvardhana Motherson Invest Deutschland GmbH (held by MSSL GmbH)	Germany	100%	100%	March 31,2014
MSSL Advanced Polymers s.r.o.(held by MSSL GmbH)	Czech Republic	100%	100%	March 31,2014
Motherson Orca Precision Technology GmbH (held by MSSL GmbH)	Germany	95.10%	95.10%	March 31,2014
MSSL s.r.l. Unipersonale (held by MSSL GmbH)	Italy	100%	100%	March 31,2014
Motherson Techno Precision México, S.A. de C.V (held by MSSL GmbH)	Mexico	100%	-	March 31,2014
Global Environment Management (FZC) (held by MSSL Mauritius Holdings Limited)	UAE	78.82%	78.82%	March 31,2014
Global Environment Management Australia Pty Limited (held by Global Environment Management (FZC))	Australia	100%	100%	March 31,2014
MSSL Australia Pty Limited (held by MSSL (S) Pte. Ltd.)	Australia	80%	80%	March 31,2014

Name of the Company	Country of Incorporation	% voting power held as at		Reporting Dates used for Consolidation
		March 31, 2014	March 31, 2013	
Motherson Elastomers Pty Limited (held by MSSL Australia Pty Limited)	Australia	100%	100%	March 31,2014
Motherson Investments Pty Limited (held by MSSL Australia Pty Limited)	Australia	100%	100%	March 31,2014
MSSL Global RSA Module Engineering Limited (held by MSSL Mauritius Holdings Limited)	South Africa	100%	100%	March 31,2014
Samvardhana Motherson Global Holdings Ltd. (SMGHL) (held by MSSL Mauritius Holdings Limited)	Cyprus	51%	51%	March 31,2014
MSSL Japan Limited (held by MSSL (S) Pte Limited)	Japan	100%	100%	March 31,2014
MSSL México, S.A. De C.V. (held by MSSL (S) Pte Limited)	Mexico	100%	100%	March 31,2014
Vacuform 2000 (Proprietary) Limited (Vacuform) (held by MSSL Mauritius Holdings Limited)	South Africa	51%	51%	March 31,2014
MSSL WH System (Thailand) Co., Ltd (held by MSSL (S) Pte. Ltd.)	Thailand	100%	100%	March 31,2014
MSSL Korea WH Limited (held by MSSL (S) Pte. Ltd.)	Korea	100%	100%	March 31,2014
MSSL Automobile Component Ltd	India	100%	100%	March 31,2014
Samvardhana Motherson Polymers Limited (SMPL)	India	51%	51%	March 31,2014
Samvardhana Motherson B.V.(held by Samvardhana Motherson Polymers Limited)	Netherlands	100%	100%	March 31,2014
Samvardhana Motherson Peguform GmbH (held by Samvardhana Motherson B.V.)	Germany	100%	100%	March 31,2014
SMP Deutschland GmbH (held by Samvardhana Motherson Peguform GmbH and SMGHL)	Germany	83.72%	83.72%	March 31,2014
SMP Automotive Technology Iberica S.L. (held by Samvardhana Motherson B.V.)	Spain	83.72%	83.72%	March 31,2014
SMP Automotive Technology Management Services (Changchun) Co. Ltd. (held by SMP Deutschland GmbH)	China	100%	100%	March 31,2014
SMP Automotive Technologies Teruel Sociedad Limitada (held by SMP Automotive Technology Iberica S.L.)	Spain	100%	100%	March 31,2014
SMP Automotive Systems Mexico S.A. de C.V. (held by SMP Automotive Technology Iberica S.L.)	Mexico	100%-1share	100%-1share	March 31,2014
Samvardhana Motherson Peguform Barcelona S.L.U (held by SMP Automotive Technology Iberica S.L.)	Spain	100%	100%	March 31,2014
SMP Automotive Solutions Personalleasings GmbH (held by SMP Deutschland GmbH)	Germany	100%	100%	March 31,2014

Name of the Company	Country of Incorporation	% voting power held as at		Reporting Dates used for Consolidation
		March 31, 2014	March 31, 2013	
Samvardhana Motherson Peguform Automotive Technology Portugal S.A. (held by SMP Automotive Technology Iberica S.L.)	Portugal	100%	100%	March 31,2014
SMP Automotive Solutions Slovakia s.r.o (held by SMP Deutschland GmbH)	Slovakia	100%	100%	March 31,2014
Changchun Peguform Automotive Plastics Technology Co., Ltd.(held by SMP Deutschland GmbH)	China	50% +1share	50% +1share	March 31,2014
SMP Tecnologia Parachoques S.A. de C.V. (held by SMP Automotive Technology Iberica S.L.)	Mexico	100%-1share	100%-1share	March 31,2014
SMP Shock Absorber Fabrication Mexico S.A. de C.V. (held by SMP Automotive Technology Iberica S.L.)	Mexico	100%-1share	100%-1share	March 31,2014
SMP Automotive Produtos Automotivos do Brasil Ltda. (held by SMP Automotive Technology Iberica S.L.)	Brazil	100%-1share	100%-1share	March 31,2014
PAINTYES – Sociedade Portuguesa de Pintura, S.A. (till 30.12.2013 - merged with Samvardhana Motherson Peguform Automotive Technology Portugal S.A)	Portugal	-	100%	-
Foshan Peguform Automotive Plastics Technology Co. Ltd. (held by Changchun Peguform Automotive Plastics Technology Co., Ltd.)	China	100%	100%	March 31,2014
SMP Exterior Automotive GmbH (incorporated on 31.05.2013)	Germany	100%	-	March 31,2014
SMP Automotive Interiors (Beijing) Co. Ltd (incorporated on 31.03.2014)	China	100%	-	March 31,2014
Samvardhana Motherson Reflectec Group Holdings Limited (SMR) (held by SMGHL)	Jersey	93.63%	93.63%	March 31,2014
SMR Automotive Holding Hong Kong Limited (held by SMR)	Hong Kong	100%	100%	March 31,2014
SMR Automotive Technology Holding Cyprus Limited (held by SMR)	Cyprus	100%	100%	March 31,2014
SMR Automotive Mirror Systems Holding Deutschland GmbH (held by SMR)	Germany	100%	100%	March 31,2014
SMR Automotive Mirrors Stuttgart GmbH (held by SMR)	Germany	100%	100%	March 31,2014
SMR Poong Jeong Automotive Mirrors Korea Ltd. (held by SMR)	South Korea	90%	90%	March 31,2014
SMR Hyosang Automotive Ltd. (held by SMR)	South Korea	90%	90%	March 31,2014
SMR Holding Australia Pty Ltd. (held by SMR)	Australia	100%	100%	March 31,2014
SMR Automotive Australia Pty Limited (held by SMR)	Australia	100%	100%	March 31,2014

Notes to the consolidated financial statements

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

Name of the Company	Country of Incorporation	% voting power held as at		Reporting Dates used for Consolidation
		March 31, 2014	March 31, 2013	
SMR Automotive Mirror Technology Hungary BT (held by SMR)	Hungary	100%	100%	March 31,2014
SMR Grundbesitz GmbH & Co. KG (held by SMR)	Germany	94%	94%	March 31,2014
SMR Automotive (Langfang) Co. Ltd (held by SMR,Korea)	China	100%	100%	March 31,2014
SMR Automotive Mirror Parts and Holdings UK Ltd (held by SMR)	UK	100%	100%	March 31,2014
SMR Automotive Services Portchester Ltd (held by SMR)	UK	100%	100%	March 31,2014
SMR Automotive Mirrors UK Limited (held by SMR)	UK	100%	100%	March 31,2014
SMR Automotive Technology Valencia S.A.U. (held by SMR)	Spain	100%	100%	March 31,2014
SMR Automotive Mirror Services UK Ltd. (held by SMR)	UK	100%	100%	March 31,2014
SMR Automotive Technology Holdings USA Partners (till- 31.03.2014 - dissolved)	USA	100%	100%	March 31,2014
SMR Automotive Mirror International USA Inc. (held by SMR)	USA	100%	100%	March 31,2014
SMR Automotive Systems USA Inc. (held by SMR)	USA	100%	100%	March 31,2014
SMR Automotive Systems France S.A. (held by SMR)	France	100%	100%	March 31,2014
SMR Automotive Systems India Limited (held by SMR)	India	100%	100%	March 31,2014
SMR Automotive Yancheng Co. Limited (held by SMR)	China	100%	100%	March 31,2014
SMR Automotive Beijing Company Limited (held by SMR)	China	100%	100%	March 31,2014
SMR Automotive Mirror Technology Holding Hungary KFT (held by SMR)	Hungary	100%	100%	March 31,2014
SMR Automotive Systems Spain S.A.U (held by SMR)	Spain	100%	100%	March 31,2014
SMR Automotive Vision Systems Mexico S.A de C.V (held by SMR)	Mexico	100%	100%	March 31,2014
SMR Automotive Servicios Mexico S.A de C.V (held by SMR)	Mexico	100%	100%	March 31,2014
SMR Patents S.à.r.l. (held by SMR)	Luxembourg	100%	100%	March 31,2014
SMR Automotive Beteiligungen Deutschland GmbH (held by SMR)	Germany	100%	100%	March 31,2014
SMR Automotive Brasil Ltda. (held by SMR)	Brazil	100%	100%	March 31,2014
SMR Automotives Systems Macedonia Dooel Skopje (held by SMR)	Macedonia	100%	100%	March 31,2014
SMR Automotive System (Thailand) Limited (held by SMR)	Thailand	100%	100%	March 31,2014
SMR Automotive Operations Japan K.K. (held by SMR)	Japan	100%	100%	March 31,2014

Name of the Company	Country of Incorporation	% voting power held as at		Reporting Dates used for Consolidation
		March 31, 2014	March 31, 2013	
SMR Automotive Vision System Operations USA INC. (held by SMR) (incorporated on 17.03.2014)	USA	100%	-	March 31,2014
SMR Mirror UK Limited (held by SMR) (incorporated 19.03.2014)	UK	100%	-	March 31,2014

B. Details of Associate Company are as follows:

Name of the Company	Country of Incorporation	% voting power held as at		Reporting Dates used for Consolidation
		March 31, 2014	March 31, 2013	
SAKS Ancillaries Limited	India	40.01%	40.01%	March 31, 2014
Re time Pty Limited (held by SMR)	Australia	40.6%	40.6%	March 31, 2014

C. Details of Joint Venture Companies which have been considered in these consolidated accounts are as follows:

Name of the Company	Country of Incorporation	% voting power held as at		Reporting Dates used for Consolidation
		March 31, 2014	March 31, 2013	
Kyungshin Industrial Motherson Limited	India	50%	50%	March 31, 2014
Woco Motherson Limited (FZC) (through MSSL Mauritius Holdings Limited)	U.A.E	33.33%	33.33%	December 31, 2013
Woco Motherson Elastomers Limited	India	33.33%	33.33%	March 31, 2014
Woco Motherson Advanced Rubber Technologies Limited	India	33.33%	33.33%	March 31, 2014
Calsonic Kansei Motherson Auto Products Limited	India	49%	49%	March 31, 2014
Samvardhana Motherson Nippisun Technology Ltd (SMNTL) (w.e.f 11.09.2013)	India	49.5%	-	March 31, 2014
Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd. (through SMR)	China	50%	50%	March 31, 2014
Chongqing SMR Huaxiang automotive Products Limited (w.e.f 08.08.2013) (through SMR)	China	50%	-	March 31, 2014
Celulosa Fabril S.A. (Zaragoza, ES) (through SMP automotive technology Iberica S.L.)	Spain	50%	50%	March 31, 2014
Modulos Rivera Alta S.L.U. (through Celulosa Fabril S.A.)	Spain	100%	100%	March 31, 2014
Eissmann SMP Automotive Interieur Slovensko s.r.o (through SMP Deutschland GmbH)	Slovakia	49%	-	March 31, 2014

35. Derivative instruments and unhedged foreign currency exposure

a. Derivatives outstanding as at the reporting date:

Figures in Million

Particulars	Currency	March 31, 2014	March 31, 2013
Hedge of external commercial borrowings and long term loans	USD : INR	USD 5; ₹ 322	USD 7; ₹ 387
	JPY : INR	-	JPY 115; ₹ 67
	EUR : USD	USD 16; ₹ 929	USD 19; ₹ 1,059
Trade Payable	JPY : INR	JPY 1; ₹ 1	JPY 118; ₹ 69
Trade Receivable	EUR : INR	EUR 3; ₹ 283	EUR 1; ₹75

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

Currency	As at March 31, 2014 Payable / (Receivable)	As at March 31, 2013 Payable / (Receivable)
AED	1	2
AUD*	(1)	0
CNY*	(1)	0
CZK	-	(9)
CHF*	(0)	0
DKK	1	-
EUR*	21	0
GBP	(4)	(4)
HUF	1,423	168
INR	25	3
JPY	900	896
KRW*	2	0
MXN	22	(9)
SGD*	(0)	0
THB	16	5
USD	368	418
ZAR	(6)	-

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

36. Payment to Group's Auditors:

	Year ended March 31, 2014	Year ended March 31, 2013
Audit Fees (including limited review)	58	54
Fee for certification & other services (including reimbursement of expenses)	2	7
Total	**60**	**61**

37. Earnings per share

	Year ended March 31, 2014	Year ended March 31, 2013
a) Basic		
Net profit after tax available for equity Shareholders (₹ in Million) **(A)**	7,650	4,445
Equity Shares outstanding at year end [1]	881,919,360	587,946,240
Add: Bonus Shares issued by capitalization of Securities Premium/ Capital Redemption Reserve on December 24, 2013 adjusted	-	293,973,120
Weighted Average number of equity shares used to compute basic earnings per share **(B)**	881,919,360	881,919,360
Basic Earnings (in Rupees) Per Share of ₹ 1/- each. (Previous Year ₹ 1/- each) **(A/B)**	8.7	5.0
b) Diluted		
Net profit after tax available for equity Shareholders (Rs in Million) **(A)**	7,650	4,445
Weighted Average number of equity shares used to compute basic earnings per share **(B)**	881,919,360	881,919,360
Diluted Earnings (in Rupees) Per Share of ₹ 1/- each. (Previous Year ₹ 1/- each) **(A/B)**	8.7	5.0

[1] During the year the company has made allotment of 293,973,120 equity shares of ₹ 1/- each as bonus shares in proportion of one equity share for every two equity shares and therefore in accordance with Accounting Standard 20 "Earnings Per Share" the weighted average number of shares outstanding for the previous year have been adjusted.

38. The group has the following provisions in the books of account:

	Warranty		Onerous Contracts		Litigations	
	2014	2013	2014	2013	2014	2013
Opening Balance	537	547	40	54	91	79
Additions during the year*	714	366	-	0	79	21
Utilised / Reversed during the year	(455)	(398)	(46)	(15)	(28)	(6)
Exchange translation adjustment	75	22	7	1	14	(3)
Closing Balance	**871**	**537**	**1**	**40**	**156**	**91**
Classified as Non - Current	114	51	-	-	63	71
Classified as Current	757	486	1	40	93	20

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

Warranty

A provision is recognized for expected warranty claims on products sold during the last year, based on past experience of the level of repairs and returns. Due to the very nature of such costs, it is not possible to estimate the uncertainties relating to the outflows of economic benefits.

Onerous Contracts

The provision for onerous contracts comprise for expected losses from customer contracts for the next one year. After this period no provision is recorded as the Group is expecting to turn this customer contracts profitable by cost reductions and renegotiations with the customers.

Litigations

Litigations primarily comprise provision in respect of the following:

a. Labour claims - ₹ 53 million (Previous Year : ₹ 60 million): Amount of the provision relates to claims against the company in respect of overtime payment, salary parity payment, tenure / damages caused by labour related diseases and labour accidents.

b. Civil claims - ₹ 10 million (Previous Year ₹ 11 million): Amount of the provision relates to claims against the company from suppliers.

c. Tax and other claims - ₹ 31 million (Previous Year ₹ 20 million): Amount of the provision relates to claims against the company in respect of sales tax, excise and entry tax demands including interest thereon, where applicable, being contested by the Company. It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

d. Litigations Cost - ₹ 62 million (Previous Year ₹ Nil): Amount of provision relates to costs to be incurred in respect of compensation claim, on Cross Industries (former shareholder of Peguform Group) for violation of obligations of the share purchase agreement, filed with International Chamber of Commerce.

39. Leases Obligation Disclosures

Finance Leases:

Assets acquired on finance lease and hire purchase contract comprise property and plant & machinery. Future minimum lease payment under finance leases and hire purchase contracts are as follows:

	Minimum Lease Payments	
	March 31, 2014	**March 31, 2013**
Not later than one year	741	572
Later than 1 year and not later than 5 years	1,684	1,723
Later than 5 years	136	182
Total	**2,561**	**2,477**
Less: Finance Charges	248	269
Present value of minimum lease period	**2,313**	**2,208**

Operating Leases:

The Company has significant operating leases for premises. These lease arrangements range for a period between 11 months and 10 years, which include both cancellable and no cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses. The Company has entered into some sub-leases and all such subleases are cancellable and are for a period of 11 months, with an option of renewal on mutually agreeable terms.

	Year ended March 31, 2014	Year ended March 31, 2013
With respect to all operating leases;		
Lease payments recognized in the Statement of Profit and Loss during the year	3,168	2,665
Sub-lease payments received / receivable recognized in the Statement of Profit and Loss during the year	171	167

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

Particulars	As at March 31, 2014	As at March 31, 2013
Payable not later than 1 year	1,087	641
Payable later than 1 year and not later than 5 years	2.178	1,456
Payable later than 5 years	996	573

40. Related Party Disclosures

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

a. Joint Ventures:

Kyungshin Industrial Motherson Limited

Woco Motherson Elastomer Limited

Woco Motherson Advanced Rubber Technologies Limited

Woco Motherson Limited (FZC) (Indirectly through Subsidiary)
Calsonic Kansei Motherson Auto Products Limited
Ningbo SMR Huaxiang Automotive Mirrors Co. Limited(Indirectly through Subsidiary)
Chongqing SMR Huaxiang Automotive Products Limited (w.e.f 08.08.2013) (Indirectly through Subsidiary)
Celulosa Fabril (Cefa) S.A. (Zaragoza, ES) (Indirectly through Subsidiary)
Modulos Rivera Alta S.L.U. (Indirectly through Subsidiary)
Samvardhana Motherson Nippisun Technology Ltd (SMNTL) (w.e.f 11.09.2013)
Eissmann SMP Automotive Interieur Slovensko s.r.o.) (Indirectly through Subsidiary)

b. Associate Companies:

Saks Ancillaries Limited
Re-time Pty Limited

c. Key Management Personnel:

Board of Directors:

Mr. V. C. Sehgal
Mr. Laksh Vaaman Sehgal
Mr. Toshimi Shirakawa
Maj. Gen. Amarjit Singh (Retd.)
Mr. Arjun Puri
Mr. Pankaj Mital
Mr. S C Tripathi, IAS (Retd.)
Mr. Gautam Mukherjee
Ms. Geeta Mathur w.e.f. 31.01.2014.
Ms. Noriyo Nakamura w.e.f. 31.01.2014
Mr. Hideaki Ueshima Till- 23.12.2013
Mr. S.P. Talwar Till- 23.05.2013

Other Key Management Personnel:

Mr. Bimal Dhar
Mr. G.N. Gauba
Mr. Sanjay Mehta

Relatives of Key Management Personnel:

Ms. Renu Sehgal (Wife of Mr.V.C.Sehgal)
Ms. Vidhi Sehgal (Daughter of Mr.V.C.Sehgal)
Ms. Geeta Soni (Sister of Mr.V.C. Sehgal)
Ms. Neelu Mehra (Sister of Mr.V.C. Sehgal)
Ms. Samriddhi Sehgal (Wife of Mr. Laksh Vaaman Sehgal)

d. Companies in which Key Managerial Personnel or their relatives have control/ significant influence:

Motherson Auto Limited
Motherson Air Travel Agencies Limited
Ganpati Auto Industries (Partnership Firm)
Southcity Motors Limited
Motherson Techno Tools Limited
Motherson Techno Tools Mideast (FZE)
SWS India Management & Support Service (P) Limited
Vaaman Auto Industry (Partnership Firm)

MothersonSumi INfotech and Designs Limited
Motherson Engineering Research and Integrated Technologies Limited
Moon Meadows Private Limited
Sisbro Motor and Workshop Private Limited
NACHI Motherson Tool Technology Limited
Motherson (Partnership Firm)
Samvardhana Motherson International Limited
A Basic Concepts Design Pty Limited
ATAR Mauritius Private Limited
Motherson Auto Solutions Limited
Motherson Machinery and Automations Limited
Spheros Motherson Thermal System Limited
Matsui Technologies India Limited
Motherson Moulds and Diecasting Limited
Anest Iwata Motherson Limited
Field Motor Limited
AES (India) Engineering Limited
Motherson Auto Engineering Service Ltd
Anest Iwata Motherson Coating Equipment Limited
Nissin Advanced Coating Indo Co. Limited.
Magnetti Marelli Motherson Holding India BV
Magnetti Marelli Motherson Auto System Limited
Samvardhana Motherson Finance Services Cyprus Limited
Motherson Zanotti Refrigeration System Limited
Samvardhana Motherson Virtual Analysis Ltd.
Tigers Connect Travel Systems and Solutions Limited
Samvardhana Motherson Holding (M) Private Limited.
Motherson Advanced Tooling Solutions Limited
SCCL Infra Projects Limited
Fritzmeier Motherson Cabin Engineering Limited.
Air Factory Energy Limited
CTM India Limited.
MSID U.S. Inc.
Motherson Consultancies Service Limited (earlier known as Motherson Climate System Ltd.)
Spirited Auto Cars (I) Limited
Motherson Lease Solution
Systematic Conscom Limited
MAS Middle East Ltd. (FZE)
Nachi Motherson Precision Ltd.
Motherson Bergstrom HVAC Solutions Private Limited
Motherson Sintermetal Technology Limited
Advanced Technologies and Auto Resources Pte. Ltd.
Edcol Global Pte. Limited
Motherson Innovative Technologies and Research
Radha Rani Holdings Pte Ltd

Notes to the consolidated financial statements

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

Sehgals Trustee Company Private Limited (incorporated on 20.03.2014)

Nirvana Agro Products Private Limited (incorporated on 22.01.2014)

e. **Joint Venturer:**

Sumitomo Wiring Systems Limited, Japan

Kyungshin Corporation, Korea

Woco Franz Josef Wolf Holding GmbH, Germany

Calsonic Kansei Corporation, Japan

E-Compost Pty. Limited, Australia

Dremotech GmbH & Co. KG., Germany

Cross Motorsport Systems AG

Blanos Partners S.L.

Changshu Automobile Interior Decoration Co., Ltd

Ningbo Huaxiang Electronic Co., Ltd.

Eissmann Automotive Slovensko s.r.o

II. Details of transactions, in the ordinary course of business at commercial terms, and balances with related parties as mentioned in 44 (I) above:

S. No.	Particulars	Parties mentioned in 40 (1) (a) above		Parties mentioned in 40 (1) (b) & (d) above		Parties mentioned in 40 (1) (e) above		Parties mentioned in 40 (1) (c) above	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1	Sale of Goods	2,142	1,426	182	198	565	523	-	-
2	Rendering of Services	258	261	31	10	-	0#	-	-
3	Rent Income	36	23	29	36				
4	Sale of Fixed Assets	-	0#	2	36	-	-	-	-
5	Purchase of Goods	37	40	1,110	1,038	2,398	2,193	-	-
6	Purchase of Fixed Assets	-	-	640	940	138	201	-	-
7	Purchase of Services	0#	1	1,375	1,129	26	26	1	1
8	Rent Expense	-	-	198	74	-	-	4*	5*
9	Reimbursement Made	0#	1	51	66	0#	0#	-	-
10	Reimbursement Received	2	1	1	2	-	-	-	-
11	Investments made during the year	-	-	-	-	-	-	-	-
12	Purchase of Shares	-	-	-	13	-	-	-	-
13	Investments Redeemed/ Sale of Shares	-	-	-	-	-	-	-	-
14	Royalty	-	-	-	7	296	264	-	-
15	Remuneration/Sitting Fees of Directors and Key Management Personnel	-	-	-	-	-	-	34	24
16	Interest Income	1	-	11	21	-	-	-	-
17	Interest Expense	-	-	29	2	-	0#	-	-
18	Dividend Paid	-	-	426	341	405	347	45**	34**
19	Dividend Received	215	372	3	2	-	-	-	-

Notes to the consolidated financial statements

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

S. No.	Particulars	Parties mentioned in 40 (1) (a) above		Parties mentioned in 40 (1) (b) & (d) above		Parties mentioned in 40 (1) (e) above		Parties mentioned in 40 (1) (c) above	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
20	Capital Received from Minority	-	-	-	260	97	-		-
21	Loans Received during the year	-	-	567	38	-	-	-	-
22	Loans Given during the year	25	-	427	-	-	-	-	-
23	Loans Repaid during the year	-	-	10	87	-	-	-	-
24	Loans Received back during the year	-	-	427	20	-	-	-	-
25	Security Deposits Received	1	-	0#	-	-	-	-	-
26	Security Deposits Received back	-	-	34	-	-	-	-	1
27	Security Deposits Repaid	-	-	7	-	-	-	-	-
28	Security Deposit given	-	-	122	97	-	-	-	-
Balances as at year end									
29	Investments	-	-	66	66	-	-	-	-
30	Loans Receivable	25	-	100	100	-	-	-	-
31	Loans Payable		-	580	22	20	20	-	-
32	Interest Payable		-	18	-	-	-	-	-
33	Advances and other Receivable	4	1	459	94	3	-		-
34	Interest Receivable	-	-	2	-	-	-		-
35	Security Deposit Received	41	40	32	34	-	-	-	-
36	Security Deposits Given	-	-	194	141	-	-	-	-
37	Trade Payable	8	4	476	406	336	467	-	-
38	Trade Receivable	296	307	87	246	44	37	-	-
39	Advances from customer	0#	0#	0#	0#	1	1	-	-

* Rent of ₹ 4 million (Previous Year ₹ 5 million) paid to Mr. V.C Sehgal, Mr. Laksh Vaaman Sehgal, Ms. Renu Sehgal, and Ms. Vidhi Sehgal.

** Dividend of ₹ 45 million (Previous Year ₹ 34 million) paid to Mr. V. C. Sehgal, Ms. Renu Sehgal, Ms. Neelu Mehra, Ms. Geeta Soni, Mr. Bimal Dhar, Mr. Pankaj Mital, Mr. M.S. Gujral, Mr. G.N.Gauba.

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

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

S. No.	Particulars	2013-14		2012-13	
		Name of Related Party	Amount	Name of Related Party	Amount
1	Sale of Goods	Kyungshin Industrial Motherson Limited	1,859	Kyungshin Industrial Motherson Limited	1,275
		Sumitomo Wiring Systems Limited, Japan	556	Sumitomo Wiring Systems Limited, Japan	522
2	Rendering of Services	Kyungshin Industrial Motherson Limited	247	Kyungshin Industrial Motherson Limited	249
3	Rent Income	Woco Motherson Elastomer Limited	11	Woco Motherson Elastomer Limited	11
		Calsonic Kansei Motherson Auto Products Limited	19	Calsonic Kansei Motherson Auto Products Limited	12
		Motherson Moulds and Diecasting Limited	9	Motherson Moulds and Diecasting Limited	8
		Magnetti Marelli Motherson Auto System Limited	8	Magnetti Marelli Motherson Auto System Limited	5
4	Sale of Fixed Assets	Magnetti Marelli Motherson Auto System Limited	1	Magnetti Marelli Motherson Auto System Limited	35
		Systematic Conscom Limited	1	Systematic Conscom Limited	-
5	Purchase of Goods	Edcol Global Pte. Limited	404	Edcol Global Pte. Limited	331
		Sumitomo Wiring Systems Limited, Japan	739	Sumitomo Wiring Systems Limited, Japan	600
		Kyungshin Industrial Co., Korea	1607	Kyungshin Industrial Co., Korea	1,393
6	Purchase of Fixed Assets	Systematic Conscom Limited	508	Systematic Conscom Limited	800
		Calsonic Kansei Corporation, Japan	86	Calsonic Kansei Corporation, Japan	-
7	Purchase of Services	Saks Ancillaries Limited	150	Saks Ancillaries Limited	144
		Motherson Auto Limited	197	Motherson Auto Limited	185
		Motherson Air Travel Agencies Limited	204	Motherson Air Travel Agencies Limited	197
		Motherson Sumi Infotech and Designs Limited	517	Motherson Sumi Infotech and Designs Limited	399
8	Rent Expense	Motherson Auto Limited	125	Motherson Auto Limited	48
		Motherson Air Travel Agencies Limited	25	Motherson Air Travel Agencies Limited	25
		Motherson Lease Solution Limited (formerly Style Motors Limited)	47	Motherson Lease Solution Limited (formerly Style Motors Limited)	0
9	Reimbursement Made	Systematic Conscom Limited	25	Systematic Conscom Limited	28
		Motherson Auto Limited	5	Motherson Auto Limited	9
		MAS Middle East Ltd. (FZE)	9	MAS Middle East Ltd. (FZE)	7
10	Reimbursement Received	Samvardhana Motherson Nippisun Technology Ltd (SMNTL) (w.e.f 11.09.2013)	2	Samvardhana Motherson Nippisun Technology Ltd (SMNTL) (w.e.f 11.09.2013)	-
		MothersonSumi INfotech and Designs Limited	0	MothersonSumi INfotech and Designs Limited	(0)
		Magnetti Marelli Motherson Auto System Limited	1	Magnetti Marelli Motherson Auto System Limited	-

Notes to the consolidated financial statements

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

S. No.	Particulars	2013-14		2012-13	
		Name of Related Party	Amount	Name of Related Party	Amount
11	Royalty	Sumitomo Wiring Systems Limited, Japan	250	Sumitomo Wiring Systems Limited, Japan	213
		Kyungshin Industrial Co., Korea	36	Kyungshin Industrial Co., Korea	45
12	Remuneration/Sitting Fees of Directors and Key Management Personnel	Mr. Pankaj Mital	11	Mr. Pankaj Mital	9
		Mr. G. N. Gauba	10	Mr. G. N. Gauba	9
		Mr. Sanjay Mehta	6	Mr. Sanjay Mehta	5
13	Interest Income	Motherson Auto Limited	10	Motherson Auto Limited	21
		MAS Middle East Ltd. (FZE)	1	MAS Middle East Ltd. (FZE)	-
14	Interest Expense	Motherson Auto Limited	10	Motherson Auto Limited	-
		Samvardhana Motherson International Limited	19	Samvardhana Motherson International Limited	-
15	Dividend Paid	Samvardhana Motherson International Limited	425	Samvardhana Motherson International Limited	319
		Sumitomo Wiring Systems Limited, Japan	297	Sumitomo Wiring Systems Limited, Japan	223
		Kyungshin Industrial Co., Korea	108	Kyungshin Industrial Co., Korea	108
16	Dividend Received	Kyungshin Industrial Motherson Limited	215	Kyungshin Industrial Motherson Limited	301
17	Loans Received during the year	Samvardhana Motherson International Limited	560	Samvardhana Motherson International Limited	-
18	Loans given during the year	Motherson Techno Tools Limited	367	Motherson Techno Tools Limited	-
		MAS Middle East Ltd. (FZE)	60	MAS Middle East Ltd. (FZE)	-
19	Loans Repaid during the year	Saks Ancillaries Ltd	10	Saks Ancillaries Ltd	45
20	Loans Received back during the year	Motherson Techno Tools Limited	367	Motherson Techno Tools Limited	-
		MAS Middle East Ltd. (FZE)	60	MAS Middle East Ltd. (FZE)	-
21	Security Deposit Received	Woco Motherson Elastomer Limited	1	Woco Motherson Elastomer Limited	-
22	Security Deposits Given	Motherson Auto Limited	32	Motherson Auto Limited	97
		Motherson Lease Solution Limited (formerly Style Motors Limited)	91	Motherson Lease Solution Limited (formerly Style Motors Limited)	-
23	Security Deposits Received Back	Motherson Auto Limited	34	Motherson Auto Limited	-
24	Capital Received from Minority	Samvardhana Motherson International Limited	-	Samvardhana Motherson International Limited	260
	Balances as at year end				
25	Loans Payable	Samvardhana Motherson International Limited	577	Samvardhana Motherson International Limited	-
26	Advances and other Receivable	Motherson Auto Limited	220	Motherson Auto Limited	78
		Systematic Conscom Limited	52	Systematic Conscom Limited	19
		CTM India Limited.	153	CTM India Limited	142
27	Loans Receivable	Samvardhana Motherson Nippisun Technology Ltd (SMNTL) (w.e.f 11.09.2013)	25	Samvardhana Motherson Nippisun Technology Ltd (SMNTL) (w.e.f 11.09.2013)	-
		Motherson Auto Limited	100	Motherson Auto Limited	100

Notes to the consolidated financial statements

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

S. No.	Particulars	2013-14		2012-13	
		Name of Related Party	Amount	Name of Related Party	Amount
28	Security Deposit Received	Kyungshin Industrial Motherson Limited	30	Kyungshin Industrial Motherson Limited	30
		CTM India Limited	23	CTM India Limited.	25
29	Security Deposits Given	Motherson Auto Limited	103	Motherson Auto Limited	140
		Motherson Lease Solution Limited (formerly Style Motors Limited)	89	Motherson Lease Solution Limited (formerly Style Motors Limited)	-
30	Trade Payable	Sumitomo Wiring Systems Limited, Japan	133	Sumitomo Wiring Systems Limited, Japan	241
		Systematic Conscom Limited	103	Systematic Conscom Limited	153
		MothersonSumi INfotech and Designs Limited	203	MothersonSumi INfotech and Designs Limited	84
		Kyungshin Industrial Co., Korea	172	Kyungshin Industrial Co., Korea	161
31	Trade Receivable	Kyungshin Industrial Motherson Limited	270	Kyungshin Industrial Motherson Limited	272
		MothersonSumi INfotech and Designs Limited	43	MothersonSumi INfotech and Designs Limited	-
		Sumitomo Wiring Systems Limited, Japan	42	Sumitomo Wiring Systems Limited, Japan	36
32	Advances from customers	Sumitomo Wiring Systems Limited, Japan	1	Sumitomo Wiring Systems Limited, Japan	1

41. Segment Information:

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

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

The business segment comprise of the following:

Segments	Products categories in respective segments
Automotive	Wiring Harness, High Tension Cords, Wire, Plastic Components, Rubber Components, Cockpit Assembly, Mould for wiring harness components and mould parts, Plastic Molded Components, Brass Terminals, Thermo-Formed Products, Polyurethane Molded Products, Blow Molded Products, HVAC Module, Compressors, Body Control Modules, Meters Clusters, Interior Mirrors, Exterior Mirrors.
Non-Automotive	Wiring Harness, Plastic Components for white goods, Household Wires, Plates, Aerobin, Re-Timer light device, Premium embossed travel case, USB recharging cable

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

Notes to the consolidated financial statements

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

a) Information about Primary Business Segment.

	Automotive		Non automotive		Unallocated		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Segment revenue								
External	301,083	249,826	5,927	6,129	210	263	307,220	256,218
Intersegment	-	-	-	-	-	-	-	-
Total revenue #	**301,083**	**249,826**	**5,927**	**6,129**	**210**	**263**	**307,220**	**256,218**
Results								
Segment result	19,785	11,419	652	678	-	-	20,437	12,097
Interest expense (net of Interest income)					2,778	2,373	2,778	2,373
Other Unallocable (net of Income)					1,697	1,381	1,697	1,381
Profit before taxation							15,962	8,342
Provision for taxation					4,994	3,835	4,994	3,835
Profit of Associate					(2)	8	(2)	8
Net profit after tax							10,966	4,515
- Concern Share							7,650	4,445
- Minority Share							3,316	70
Other items								
Segment assets	147,950	120,315	3,383	3,736[2]	2,194	4,128[2]	153,527	128,179
Segment liabilities	61,765	46,918	723	1,207	53,646	53,235	116,134	101,360
Capital expenditure	12,399	11,836	52	231	135	-	12,586	12,067
Depreciation & Impairment[1]	8,014	6,956	158	189	-	-	8,172	7,145

[1] Includes impairment loss amounting to ₹ Nil (Previous Year ₹ 200 million) recognized during the year and reversal of excess impairment loss of ₹ 10 million (Previous Year ₹ Nil) provided in the previous year.

[2] During the current year land and building amounting to ₹ Nil (Previous Year ₹ 222 million), being part of non-automotive segment assets has been reclassified as investment property forming part of unallocated assets.

Excluding Interest Income.

a) Information about Secondary Business Segments

Revenue by geographical markets	India		Outside India		Unallocated		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
External	39,085	43,117	267,925	212,838	210	263	307,220	256,218
Inter segment		-		-		-		-
Total	39,085	43,117	267,925	212,838	210	263	307,220	256,218
Carrying amount of segment assets	31,080	31,149	120,253	92,903	2,194	4,128	153,527	128,179
Addition to fixed assets	2,280	3,414	10,306	8,653	-	-	12,586	12,067

b) Inter Segment Transfer Pricing

Inter Segment prices are normally negotiated amongst the segments with reference to the costs, market prices and business risks, with an overall optimization objective for the Group.

42. The long term defined employee benefits and contribution schemes of the Group are as under:

(A) Defined Benefit Schemes

(1) Gratuity / Pension Benefits

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

(i) Present Value of Defined Benefit Obligation

	Year ended March 31, 2014	Year ended March 31, 2013
Obligations at year beginning	**2,416**	**2,052**
Service Cost - Current	57	213
Interest Cost	103	80
Actuarial (gain) / loss	(20)	276
Benefit Paid	(67)	(258)
Effect of Exchange rate change	73	53
Addition due to transfer of employee	236	
Obligations at year end	**2,798**	**2,416**

(ii) Fair Value of Plan Assets

	Year ended March 31, 2014	Year ended March 31, 2013
Plan assets at year beginning, at fair value	**1,555**	**1,374**
Expected return on plan assets	74	60
Actuarial gain / (loss)	(46)	82
Contributions	240	125
Benefits paid	(50)	(125)
Effect of Exchange rate change	229	39
Addition due to transfer of employee*	0	-
Plan assets at year end, at fair value	**2,002**	**1,555**

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

(iii) Assets and Liabilities recognized in the Balance Sheet

	Year ended March 31, 2014	Year ended March 31, 2013
Present Value of the defined benefit obligations	2,798	2,416
Fair value of the plan assets	2,002	1,555
Amount not recognized because of limitation of assets	312	140
Amount recognized as Liability	**1,108**	**1,001**
Recognized Under		
Long Term Provision (Refer Note No 8)	**1,034**	**893**
Short Term Provision (Refer Note No 12)	**74**	**108**

(iv) Defined benefit obligations cost for the year:

	Year ended March 31, 2014	Year ended March 31, 2013
Service Cost - Current	57	212
Interest Cost	103	80
Expected return on plan assets	(74)	(60)
Actuarial (gain) / loss	26	194
Net defined benefit obligations cost	**112**	**426**

(v) Investment details of Plan Assets

In respect of the companies incorporated in India, 100% of the plan assets are lying in the Gratuity fund administered through Life Insurance Corporation of India (LIC) under its Group Gratuity Scheme. In respect of companies incorporated outside India, the plan assets are invested in equities, bonds, respective gilt securities and cash.

The details of investments of plan assets are as follows:

	Year ended March 31, 2014	Year ended March 31, 2013
LIC	402	303
Equities	221	165
Bonds, Gilts and Others	1,369	1,083
Cash	10	4
Total	**2,002**	**1,555**

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

(vi) Actuarial assumptions:

	2014		2013	
	Indian	Foreign	Indian	Foreign
Discount Rate	8.5%-9.7%	1.65%-12.0%	8.0%-8.5%	1.32%-12.0%
Future salary increases	6.0%-8.0%	2.5%-15.0%	6.0% - 7.50%	2.0% - 15.0%
Expected return on plan asset	8.0%-9.0%	3.5%-15.0%	8.0% - 9.40%	3.5% - 15.0%

(vii) Amount recognized in current year and previous four years:

	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Defined benefit obligations	2,798	2,416	2,052	1,404	1,114
Plan assets	(2,002)	(1,555)	(1,374)	(1,109)	(966)
Deficit /(Surplus)	**796**	**861**	**678**	**295**	**148**

Expected contribution on account of Gratuity for the year ending March 31, 2015 cannot be ascertained at this stage.

(2) Compensated Absences

The employees are entitled for leave for each year of service and part thereof and subject to the limits specified, the un-availed portion of such leaves can be accumulated or encashed during/ at the end of the service period. The plan is not funded.

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

(i) Present Value of Defined Benefit Obligation

	Year ended March 31, 2014	Year ended March 31, 2013
Obligations at year beginning	**165**	**105**
Service Cost - Current	59	32
Interest Cost	14	9
Actuarial (gain) / loss	(7)	34
Benefit Paid	(17)	(15)
Obligations at year end	**214**	**165**

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

	Year ended March 31, 2014	Year ended March 31, 2013
Present Value of the defined benefit obligations	214	165
Fair value of the plan assets	-	-
Amount recognized as Liability	**214**	**165**

Recognized Under

Long Term Provision (Refer Note No 8)	172	157
Short Term Provision (Refer Note No 12)	42	8

(iii) Defined benefit obligations cost for the year:

	Year ended March 31, 2014	Year ended March 31, 2013
Service Cost - Current	59	32
Interest Cost	14	9
Expected return on plan assets	-	-
Actuarial (gain) / loss	(7)	34
Net defined benefit obligations cost	**66**	**75**

(iv) Actuarial assumptions:

	2014		2013	
	Indian	Foreign	Indian	Foreign
Discount Rate	8.5%-9.7%	1.32%-12.0%	8.0%-8.5%	1.32%-12.0%
Future salary increases	6.0%-8.0%	2.0%-15.0%	6.0% - 7.50%	2.0% - 15.0%

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

	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Defined benefit obligations	214	165	105	65	48
Plan assets	-	-	-	-	-
Deficit /(Surplus)	**214**	**165**	**105**	**65**	**48**

(B) Defined Contribution Schemes

The Group deposits an amount determined at a fixed percentage of basic pay every month to the State administered Provident Fund, Employee State Insurance (ESI) and Social Insurance for the benefit of the employees. Accordingly, the Group's contribution during the year that has been charged to revenue amounts to ₹ 5,531 million (Previous Year: ₹ 4,474 million).

43. Interest in Joint Ventures

The Group's interests, as a venture, in jointly controlled entities as at March 31, 2014 are:

Name of the Company	Country of Incorporation	% voting power held as at March 31, 2014	% voting power held as at March 31, 2013
Kyungshin Industrial Motherson Limited	India	50%	50%
Woco Motherson Limited (FZC)	UAE	33.33%	33.33%
Woco Motherson Elastomers Limited	India	33.33%	33.33%
Woco Motherson Advanced Rubber Technologies Limited	India	33.33%	33.33%
Calsonic Kansei Motherson Auto Products Limited	India	49%	49%
Samvardhana Motherson Nippisun Technology Ltd (SMNTL)	India	49.5%	-
Ningbo SMR Huaxiang Automotive Mirrors Co. Limited	China	50%	50%

Notes to the consolidated financial statements

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

Name of the Company	Country of Incorporation	% voting power held as at March 31, 2014	% voting power held as at March 31, 2013
Chongqing SMR Huaxiang Automotive Products Limited	China	50%	-
Celulosa Fabril S.A. (through SMP Automotive Technology Iberica S.L.)	Spain	50%	50%
Modulos Rivera Alta S.L.U. through Celulosa Fabril (Cefa) S.A.	Spain	50%	50%
Eismann SMP Automotive Interieur Slovensko s.r.o	Slovakia	49%	-

The following amounts represent the Groups share of the assets and liabilities and revenue and expenses of the joint venture and are included in the consolidated balance sheet and consolidated profit & loss account:

Particulars	March 31, 2014	March 31, 2013
Assets		
Non Current Assets		
Fixed Assets		
Tangible Assets	1,082	889
Intangible Assets	72	51
Capital work in progress	683	11
Intangible assets under development	128	20
Non Current investments	316	2,825
Deferred tax assets (net)	62	41
Long Term loans and advances	482	175
Other Non-current assets#	0	0
Current Assets		
Current investments	-	-
Inventories	1,239	972
Trade Receivables	1,989	1,761
Cash & Bank Balances	638	487
Short Term loans and advances	249	189
Other current Assets	137	136
Liabilities		
Non Current Liabilities		
Long Term Borrowings	841	73
Deferred tax liabilities (net)	13	3
Other long term liabilities	63	24
Long Term provisions	28	22
Current Liabilities		
Short Term Borrowings	537	431
Trade Payables	2,078	1,450
Other Current liabilities	367	394
Short Term Provisions	47	41
Reserves & Surplus	**1,276**	**1,611**
Revenue		
Revenue from Operations (net)	10,035	8,282
Other Income	78	18
Total income	**10,113**	**8,300**
Cost of materials consumed	7,703	6,126
Purchase of stock-in-trade	-	-
Changes in Inventories of finished goods, work-in-progress and stock in trade	(437)	9
Employee benefit expenses	893	580
Other expenses	935	777
Finance Cost (Net)	70	1
Depreciation	192	155
Total Expenditure	**9,356**	**7,648**

Particulars	March 31, 2014	March 31, 2013
Profit before Tax	757	652
Provision for Tax	206	146
Profit after Tax	551	506
Contingent Liabilities		
- In respect of Income tax matters	26	24
- In respect of Service tax matters	6	6
- Bank Guarantees	2	2
Capital Commitment	141	10

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

44. The Group is required to comply with the local transfer pricing regulations, which are contemporaneous in nature. The companies in the Group appoint independent consultants annually for conducting the transfer pricing study to determine whether the transactions with the associate enterprises are undertaken during the financial year on an arm's length basis. Adjustments, if any, arising from the transfer pricing study in the respective jurisdiction shall be accounted for as and when the study is completed for the current financial year. The management is of the opinion that its international and domestic transactions are at arm's length so that aforesaid legislation will not have any impact on the financial statements.

45. The Board in their meeting held on January 31, 2014 took note of the put option exercised by PF Beteiligungsverwaltungs for 16.28% held by them in SMP Deutschland GmbH and SMP Automotive Technology Iberica S.L. in accordance with the framework agreement. On conclusion of the transaction within 210 days from the date of exercise of option, at Euro 28.49 million (proportionate acquisition price) plus interest at 6M EURIBOR, MSSL and SMIL together will hold 100% stake in SMP Deutschland GmbH and SMP Automotive Technology Iberica S.L.

46. Subsequent to the year end, SMGHL, holding company of Samvardhana Motherson Reflectec Group Holdings Limited (SMRGHL) has purchased 98,526,160 shares from minority shareholders of SMRGHL thereby increasing its holding in SMRGHL to 96.81% from 93.63%.

47. Previous year figures have been reclassified to conform to this year's classification.

For and on behalf of the Board

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

RAJIB CHATTERJEE
Partner
M.No.: 057134

Place: Noida
Date : May 22, 2014

V.C. SEHGAL
Chairman

NORIYO NAKAMURA
Director

PANKAJ MITAL
Chief Operating Officer

G.N. GAUBA
Chief Financial Officer &
Company Secretary

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, 2015, 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. 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, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. 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, 2015, 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 19 subsidiaries and 5 jointly controlled entities whose financial statements/ financial information reflect total assets of ₹ 1,323,233 lakhs and net assets of ₹ 213,198 lakhs as at March 31, 2015, total revenue of ₹ 2,832,320 lakhs, net profit of ₹ 87,492 lakhs and net cash flows amounting to ₹ 84,421 lakhs 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 profit of ₹ 12 lakhs for the year ended March 31, 2015 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 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, jointly controlled entities and associate company and our report in terms of sub-sections (3) and (11) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries, jointly controlled entities and associate, is based solely on the reports of the other auditors.

9. We did not audit the financial statements/financial information of 45 subsidiaries and 3 jointly controlled entities whose financial statements/ financial information reflect total assets of ₹ 124,430 lakhs and net assets of ₹ 41,114 lakhs as at March 31, 2015, total revenue of ₹ 115,408 lakhs, net loss of ₹ 14,940 lakhs and net cash flows amounting to ₹ 5,917 lakhs 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 profit of ₹ 25 lakhs for the year ended March 31, 2015 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 insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associate company and our report in terms of sub-sections (3) and (11) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries, jointly controlled entities 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 the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and a subsidiary company, report of other auditors of subsidiary companies, associate company and jointly controlled companies and representations received from the management, for all the entities incorporated in India (Refer paragraphs (8) & (9) above and Note 42 to the consolidated financial statements), we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

11. 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 company 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 the other auditors in respect of entities audited by them and representation received from the management for entities un-audited (also refer paragraph 8 & 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 company and jointly controlled entities incorporated in India including relevant records relating to the preparation of the consolidated financial statements.

(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.

(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, 2015 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 & 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, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) 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, 2015 on the consolidated financial position of the Group, its associates and jointly controlled entities– Refer Note 33 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, 2015– Refer (a) Note 36(c) & 36(e) to the consolidated financial statements in respect of such items as it relates to the Group and jointly controlled entities and (b) the Group's share of net profit 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, 2015,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 & 9 above).

For **Price Waterhouse Chartered Accountants LLP (*)**
Firm Registration Number: 012754N/N500016

Rajib Chatterjee
Partner
Membership Number: 057134

Place: Noida
Date: May 12, 2015

(*) Formerly known as "Price Waterhouse"

Annexure to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Motherson Sumi Systems Limited on the consolidated financial statements as of and for the year ended March 31, 2015

i. (a) The Holding Company, its subsidiary, jointly controlled entities and an associate, incorporated in India are maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets, based on the records of the Holding Company and a subsidiary, the reports of the other auditors in respect of four jointly controlled entities and an associate and representations received from the management in respect of a jointly controlled entity(refer paragraphs 8 & 9 of the main report).

As represented by the management two subsidiaries, incorporated in India do not hold any fixed assets as at March 31, 2015 (refer paragraph 9 of the main report). Therefore, the provisions of Clause 3(i) of the Order are not applicable to them.

(b) The fixed assets of the Holding Company, four jointly controlled entities and an associate, all incorporated in India,are physically verified by the Management, according to a phased programme designed to cover all the assets over a period of three years/ at regular intervals which in our opinion is reasonable having regard to the size of the entities and the nature of their assets. Pursuant to the programme, a portion of the fixed assets has been physically verified during the year by the Management of such companies and no material discrepancies have been noticed on such verification, based on the records of the Holding Company and the report of the auditors of the jointly controlled entities and the associate(refer paragraph 8 of the main report).

Fixed assets of a subsidiary and a jointly controlled entity, incorporated in India, have been physically verified by the management of these companies during the year and no material discrepancies have been noticed on such verification as per records of the subsidiary audited by us and as represented by the management for a jointly controlled entity (refer paragraphs 8 & 9 of the main report). The frequency of such physical verification is reasonable based on our verification and the representation received from the management in respect of the companies.

ii. (a) Based on the examination of records of the Holding Company and a subsidiary, the reports of the other auditors in respect of four jointly controlled entities and an associate and representation by the management in respect of a jointly controlled entity (refer paragraphs 8 & 9 of the main report),the inventory [excluding stocks with third parties] has been physically verified,during the year,by the respective Managements of all the companies incorporated in India. In respect of inventory lying with third parties of these companies, these have substantially been confirmed by them. The frequency of such physical verification is reasonable based on our verification, the report of the other auditors and the representation received from the management.

As represented by the management for two subsidiaries incorporated in India(refer paragraph 9 of the main report) the provisions of clause 3(ii) of the Order are not applicable as they are engaged in the business of rendering of services.

(b) On the basis of our examination of the inventory records of the Holding Company and a subsidiary, the reports of the other auditors in respect of four jointly controlled entities and an associate and representation by the management in respect of a jointly controlled entity (refer paragraphs 8 & 9 of the main report), in our opinion,the procedures of physical verification of inventory followed by the respective Managements of the companies incorporated in India,are reasonable and adequate in relation to the size of the aforesaid companies and the nature of their respective businesses.

(c) On the basis of our examination of the inventory records of the Holding Company and a subsidiary, the reports of the other auditors in respect of four jointly controlled entities and an associate and representation by the management in respect of a jointly controlled entity (refer paragraphs 8 & 9 of the main report), in our opinion, the companies incorporated in India,are maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory of the aforesaid companies as compared to the respective book records were not material.

iii. The Holding Company has granted unsecured loan, to a company covered in the register maintained under Section 189 of the Act.

(a) In respect of the aforesaid loan, the company has repaid the outstanding principal amount during the year, as stipulated, and also was regular in payment of interest.

(b) In respect of the aforesaid loan, there are no overdue amounts more than Rupees One Lakh.

The Holding Company has not granted any secured/ unsecured loans to firms or other parties covered in the register maintained under Section 189 of the Act.

Based on the report of other auditor in respect of a jointly controlled entity, incorporated in India, the entity has not granted any loans, secured or unsecured, to companies covered in the register maintained u/s 189 of the Act. In earlier years the company had given unsecured interest free deposits to two companies for lease/ purchase of property which in the opinion of the other auditor is not prejudicial to the interest of the company(refer paragraph 8 of the main report).

Based on the examination of records of a subsidiary, report of other auditors received in respect of three jointly controlled entities and an associate and representations received from the management in respect of two subsidiaries and a jointly controlled entity (refer paragraphs 8 & 9 of the main report), the companies incorporated in India, have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the aforesaid companies.

iv. In our opinion, and according to the information and explanations given to us in respect of the Holding Company and a subsidiary, reports of the other auditors in respect of four jointly controlled entities and an associate and based on the representation received from the management in respect of a jointly controlled entity (refer paragraphs 8 & 9 of the main report) except for a jointly controlled entity where having regard to the unique and specialized nature of the items involved and items of proprietary nature for which comparable prices are not available, there is an adequate internal control system commensurate with the size of the aforesaid companies and the nature of their respective businesses for the purchase of inventory and fixed assets and for the sale of goods and services . We have neither come across, nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system of the aforesaid companies, based on our examination of the books and records the reports of the other auditors and representation from management (refer paragraphs 8 & 9 of the main report).

As represented by the management two subsidiaries incorporated in India, have not purchased any inventory or fixed assets and sold any goods or services. Therefore, the provisions of clause 3(iv) of the Order are not applicable to them (refer paragraph 9 of the main report).

v. In our opinion, and according to the information and explanations given to us in respect of the Holding Company and a subsidiary,reports of other auditors in respect off our jointly controlled entities and an associate and representation received from the management in respect of two subsidiaries and a jointly controlled entity (refer paragraphs 8 & 9 of the main report), the companies incorporated in India have 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. We have broadly reviewed the books of account maintained by the Holding Company and a subsidiary, incorporated in India in respect of products where pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub-section (1) of Section 148 of the Act, and based on such review and the reports of other auditors on four jointly controlled entities and an associate, incorporated in India, are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We/other auditors have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete(refer paragraph 8 of the main report).

Based on the representation from management in respect of two subsidiaries and a jointly controlled entity the Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the aforesaid subsidiaries and jointly controlled entity, incorporated in India (refer paragraph 9 of the main report).

vii (a) In our opinion, and according to the information and explanations given to us and the records of the Holding Company examined by us, the Company is generally regular in depositing undisputed statutory dues in respect of service tax and provident fund though there has been a slight delay in a few cases, and are regular in depositing undisputed statutory dues, including sales tax, value added tax, duty of excise,employees' state insurance, income tax, wealth tax, duty of customs and other material statutory dues, as applicable, with the appropriate authorities.

In our opinion, and according to the information and explanations given to us and the records of a subsidiary examined by us, the aforesaid subsidiary is generally regular in depositing undisputed statutory dues in respect of sales tax, service tax, value added tax and duty of excise, though there has been a slight delay in a few cases, and are regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, wealth tax, duty of customs, cess and other material statutory dues, as applicable, with the appropriate authorities.

Based on the report of the other auditors received in respect of two jointly controlled entities incorporated in India, undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in few cases(refer paragraph 8 of the main report).

Based on the reports of other auditors of two jointly controlled entities and an associate and representation received from management in respect of two subsidiaries and a jointly controlled entity, incorporated in India, the aforesaid companies are regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities (refer paragraphs 8 & 9 of the main report).

(b) According to the information and explanations given to us and the records of the Holding Company and a subsidiary examined by us and based on the reports of the other auditors in respect of four jointly controlled entities, incorporated in India there are no dues of wealth-tax, duty of customs, and cess 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, 2015 which have not been deposited on account of a dispute, are as follows -:

Holding Company :

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	18.20	2003-04 to 2005-06	Hon'ble High Court
Income Tax Act, 1961	Income Tax	0.75	2006-07	CIT(A)
Income Tax Act, 1961	Income Tax	34.47	2010-11 & 2011-12	Dispute Resolution Panel (DRP)
Income Tax Act, 1961	Income Tax	1.39	2004-05	ITAT
Central Excise Act, 1944	Central Excise	0.019	2000-01 to 2003-04	Hon'ble Supreme Court
Central Excise Act, 1944	Central Excise	47.32	2000-01, 2001-02, 2003-04, 2005-06 to 2008-09	CESTAT
Central Excise Act, 1944	Central Excise	1.92	2010-11	Commissioner of Central Excise (Appeals)
Central Excise Act, 1944	Service Tax	1.61	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	2.78	2007 to 2009 & 2011 to 2014	Commissioner of Central Excise (Appeals)
U.P Trade Act, 1948	Value Added Tax & Sales Tax	8.15	2008-09 & 2009-2010	Tribunal
U.P Trade Act, 1948	Value Added Tax & Sales Tax	13.91	2010-11	Additional Commissioner (Appeals)

Subsidiary Company :

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	0.8	FY 2010-11 (AY 2011-12)	Dispute Resolution Panel
Central Excise Act, 1944	Penalty on short duty payment on spares	2.0	2006-07 to 2009-10	Central Excise and Service Tax Appellate Tribunal

Jointly Controlled Entities :

Name of the statute	Nature of dues	Amount (₹ in Million)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax	1.5	2007-10	Assistant Commissioner
Income Tax Act, 1961	Income Tax	6.5	2009-10	ITAT
Income Tax Act, 1961	Income Tax	10.1*	AY 2006-07, 2007-08, 2008-09, 2009-10	ITAT
Income Tax Act, 1961	Income Tax	7.0	AY 2010-11	Dispute Resolution Panel
Finance Act, 1994	Service Tax	4.8	2009-10 and 2010-11	Service tax department, Rajkot

Name of the statute	Nature of dues	Amount (₹ in Million)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Service Tax	2.4	March 1998 to July 1998	High Court, Allahabad
Central Excise Act, 1944	Service Tax	0.3**	March 1998 to July 1998	CESTAT
Income Tax Act, 1961	Income Tax	49.9***	2004-05, 2005-06, 2006-07, 2007-08	Delhi High Court
Central Excise Act, 1944	Service Tax	0.9	July 2006 to September 2006	CESTAT
Central Excise Act, 1944	Service Tax	0.2	Oct 2005 to July 2008	CESTAT
Central Excise Act, 1944	Service Tax	0.2	Jan 2011 to June 2011	CESTAT
Central Excise Act, 1944	Service Tax	0.2	Oct 2009 to July 2010	CESTAT
Central Excise Act, 1944	Service Tax	0.1	2008-09 and 2009-10	CESTAT
Central Excise Act, 1944	Service Tax	0.7	2009-10 to 2012-13	Commissioner of Central Excise (Appeals)

* Excluding ₹ 14.8 Mn for AY 2006-07, 2007-08, 2008-09, 2009-10 which have been paid to the Income Tax Authorities.

** Excluding ₹ 0.1 Mn for the period March 1998 to July 1998 which have been paid to Excise authorities.

***Excluding ₹ 3.0 Mn for the Assessment year 2005-06 which have been paid to Income tax authorities.

Based on the reports of the other auditors in respect of an associate and the representation given by the management in respect of two subsidiaries and a jointly controlled entity, incorporated in India, there are no dues of income-tax, sales-tax, wealth-tax, service-tax, duty of customs, duty of excise or value added tax or cess which have not been deposited on account of any dispute (refer paragraphs 8 & 9 of the main report).

(c) The amount required to be transferred to Investor Education and Protection Fund by the Holding Company have been transferred within the stipulated time in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.

Based on the examination of records of a subsidiary, report of other auditors in respect of four jointly controlled entities and an associate and representation received from the management in respect of two subsidiaries and a jointly controlled entity (refer paragraphs 8 & 9 of the main report) there are no amounts required to be transferred to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder in respect of the companies incorporated in India.

viii. According to the records of the Holding Company and a subsidiary and based on reports of other auditors in respect of three jointly controlled entities and an associate, incorporated in India, have no accumulated losses as at the end of the financial year and they have not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year(refer paragraph 8 of the main report).

Based on the report of other auditor, a Jointly controlled entity incorporated in India has accumulated losses exceeding fifty percent of its net worth as at March 31, 2015. The aforesaid jointly controlled entity has incurred cash losses during the financial year ended on that date and in the immediately preceding financial year(refer paragraph 8 of the main report).

The provisions of clause 3(viii) of the Order are not applicable to two subsidiaries and a jointly controlled entity incorporated in India as they were registered for a period less than five years, as represented by the management (refer paragraph 9 of the main report).

ix. According to the records of the Holding Company and a subsidiary examined by us, report of other auditors received in respect of four jointly controlled entities and an associate and representation received from the management in respect of a jointly controlled entity (refer paragraphs 8 & 9 of the main report), the companies incorporated in India have not defaulted in repayment of dues to any financial institution or bank as at the balance sheet date. These Companies have not issued any debentures during the year.

Based on representation received from the management in respect of two subsidiaries (refer paragraph 9 of the main report),incorporated in India,the companies do not have any borrowings from any financial institution or bank nor have they issued any debentures as at the balance sheet date. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to them.

x. In our opinion, and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Holding Company for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Holding Company.

Based on the examination of records of a subsidiary, reports of the other auditors in respect of four jointly controlled entities and an associate and representation received from the management in respect of two subsidiaries and a jointly controlled entity(refer paragraphs 8 & 9 of the main report), the companies incorporated in India have not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to them.

xi. In our opinion, and according to the information and explanations given to us in respect of the holding company, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.

In our opinion, and according to the information and explanations given to us in respect of a subsidiary, report of other auditors in respect of three jointly controlled entities and an associate and representation received from the management in respect of two subsidiaries(refer paragraphs 8 & 9 of the main report), incorporated in India,the aforesaid companies have not raised any term loans. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to them.

Based on the report of the other auditor in respect of a jointly controlled entity incorporated in India, the term loans were applied for the purpose for which the loans were obtained, though idle/ surplus funds which were not required for immediate utilization were gainfully invested in short term fixed deposits. The maximum amount of idle/ surplus funds invested during the year was ₹ 237,187,084 of which ₹ 104,836,839 was outstanding at the year end(refer paragraph 8 of the main report).

Based on the representation received from the management in respect of a jointly controlled entity (refer paragraph 9 of the main report), the term loans obtained by the entity incorporated in India have been applied for the purposes for which they were obtained.

xii. During the course of our examination of the books and records carried out in accordance with the generally accepted auditing practices in India of the Holding Company and a subsidiary, report of other auditors in respect of four jointly controlled entities and an associate and representation received from the management in respect of two subsidiaries and a jointly controlled entity, we/the other auditors/ management have neither come across any instance of material fraud on or by the companies incorporated in India noticed or reported during the year, nor have we/the other auditors been informed of any such case by the respective Managements (refer paragraphs 8 & 9 of the main report).

For **Price Waterhouse Chartered Accountants LLP (*)**
Firm Registration Number: 012754N/N500016

Rajib Chatterjee
Partner
Membership Number: 057134

Place: Noida
Date: May 12, 2015

(*) Formerly known as "Price Waterhouse"

Consolidated Balance Sheet

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

	Note	As At March 31, 2015	As At March 31, 2014
Equity and Liabilities			
Shareholders' funds			
Share capital	3	882	882
Reserves and Surplus	4	32,356	28,711
		33,238	**29,593**
Minority Interest		**10,142**	**7,896**
Non Current Liabilities			
Long-term borrowings	5	40,859	29,834
Deferred tax liabilities (net)	6	1,457	1,680
Other long-term liabilities	7	3,091	2,083
Long-term provisions	8	2,180	2,043
		47,587	**35,640**
Current Liabilities			
Short-term borrowings	9	8,245	10,111
Trade payables	10	48,641	40,917
Other current liabilities	11	22,287	24,767
Short-term provisions	12	5,568	4,699
		84,741	**80,494**
Total		**175,708**	**153,623**
Assets			
Non-Current Assets			
Fixed Assets			
Tangible assets	13	57,755	56,485
Intangible assets	13	3,534	2,704
Capital work in progress		9,554	6,467
Intangible assets under development		4	4
Non-current investments	14	649	749
Deferred tax assets (net)	15	1,909	1,184
Long-term loans and advances	16	5,692	3,566
Other non-current assets	17	2,425	1,909
		81,522	**73,068**
Current Assets			
Current investments*	18	0	0
Inventories	19	37,500	32,822
Trade receivables	20	30,144	32,384
Cash and bank balances	21	18,919	9,061
Short-term loans and advances	22	7,438	6,162
Other current assets	23	185	126
		94,186	**80,555**
Total		**175,708**	**153,623**
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 12, 2015
(*) Formerly known as "Price Waterhouse"

The notes are an integral part of these financial statements

For and on behalf of the Board

V.C. SEHGAL
Chairman

NORIYO NAKAMURA
Director

PANKAJ MITAL
Whole-time Director/
Chief Operating Officer

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, 2015	For the Year Ended March 31, 2014
Revenue			
Revenue from operations (gross)		351,786	309,974
Less: Excise duty		5,934	5,695
Revenue from operations (net)	24	**345,852**	**304,279**
Other Income	25	4,643	3,106
Total		**350,495**	**307,385**
Expenses			
Cost of materials consumed	26	221,855	195,557
Purchase of stock-in-trade		2,189	1,093
Changes in inventories of finished goods, work-in-progress and stock in trade	27	(7,729)	(3,036)
Employee benefits expense	28	63,652	51,064
Other expenses	29	38,325	35,630
Total		**318,292**	**280,308**
Profit before finance cost and depreciation		**32,203**	**27,077**
Finance costs	30	3,178	2,943
Profit for the year before depreciation		**29,025**	**24,134**
Depreciation and amortization expense	31	9,206	8,172
Exceptional items (gains)/ losses	32	1,648	-
Profit before tax		**18,171**	**15,962**
Tax expenses			
-Current tax		6,070	5,173
-Deferred tax expense/ (credit)		(846)	(209)
-Fringe benefit tax		38	35
-Income tax for earlier years		(6)	(5)
Profit after tax before share of results of associates and minority interests		**12,915**	**10,968**
Less: Minority Interest Profit/ (Loss)		4,294	3,316
Add: Share of net profit/ (loss) of associates		4	(2)
Profit for the year		**8,625**	**7,650**
Earnings per share: (Refer Note 41)			
Nominal value per share: Re. 1/- (Previous year : Re 1/-)			
Basic : ₹ Per share		9.78	8.67
Diluted : ₹ Per share		9.78	8.67
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 12, 2015
(*) Formerly known as "Price Waterhouse"

The notes are an integral part of these Consolidated financial statements

For and on behalf of the Board

V.C. SEHGAL
Chairman

NORIYO NAKAMURA
Director

PANKAJ MITAL
Whole-time Director/
Chief Operating Officer

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, 2015	For the year Ended March 31, 2014
A.	**Cash flow from operating activities:**		
	Net profit before tax	**18,175**	**15,960**
	Adjustments for:		
	Share of (profit)/loss in associate	(4)	2
	Depreciation & Amortisation	9,206	8,172
	Interest expenditure	3,169	2,929
	Interest income	(242)	(165)
	Dividend income	(5)	(3)
	(Profit) / Loss on sale of tangible assets (net)	(24)	(37)
	(Profit) / Loss on sale of Long Term Investments *	-	(0)
	Change in carrying amount of current investment	0	(1)
	Debts / Advances written off	37	66
	Provision for Bad & Doubtful Debts / Advances	173	111
	Liability no longer required written back	(158)	(396)
	Provision for employee benefits	123	152
	Provision for warranty	13	333
	Unrealised foreign currency loss/ (gain)	(3,049)	3,021
	Operating profit before working capital changes	**27,414**	**30,144**
	Change in working Capital:		
	(Increase)/Decrease in trade and other payables	10,067	14,078
	(Increase)/Decrease in trade receivables	4,500	(3,549)
	(Increase)/Decrease in inventories	(1,699)	(6,786)
	(Increase)/Decrease in other receivables	(218)	(1,340)
	Cash generated from operations	**40,064**	**32,547**
	- Taxes (Paid) / Received (Net of TDS)	(6,167)	(5,597)
	Net cash generated from operating activities	**33,897**	**26,950**
B.	**Cash flow from Investing activities:**		
	Purchase/ additions of tangible / intangible assets	(19,443)	(14,120)
	Sale of tangible / intangible assets	1,053	603
	Sale / (purchase) of investments	4	(6)
	Purchase of minority interest in subsidiary	(3,328)	-
	Loan to related parties (net)	80	(360)
	Interest received (revenue)	210	157
	Dividend received	5	3
	Consideration paid on acquisition of subsidiaries	(7,110)	-
	Net cash used in investing activities	**(28,529)**	**(13,723)**

Cash Flow Statement

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

		For the year Ended March 31, 2015	For the year Ended March 31, 2014
C.	**Cash flow from financing activities:**		
	Dividend Paid	(2,203)	(1,195)
	Dividend Distribution Tax	(375)	(200)
	Dividend Paid to Minority Shareholders	(961)	(540)
	Interest paid	(2,993)	(2,881)
	Proceeds from Long Term borrowings	50,236	9,565
	Proceeds from Short Term borrowings	22,058	5,402
	Repayment of Long Term Borrowings	(24,934)	(11,176)
	Repayment of Short Term Borrowings	(35,980)	(9,792)
	Proceeds from Government subsidy	97	16
	Net cash used in financing activities	**4,945**	**(10,801)**
	Net Increase/(Decrease) in Cash & Cash Equivalents	10,313	2,426
	Net Cash and Cash equivalents at the beginning of the year	8,305	5,845
	Cash and cash equivalents acquired consequent to acquisition of Wiring Harness Division of Stoneridge and S & T. (Refer note 50 & 52 respectively)	85	-
	Cash and cash equivalents as at current year closing	**18,703**	**8,271**
	Cash and cash equivalents comprise		
	Cash on hand	21	23
	Cheques / drafts on hand	7	21
	Balance with Banks	18,670	8,261
	Cash and cash equivalents as per Balance Sheet (restated)	18,698	8,305
	Effect of exchange differences on balance with banks in foreign currency	5	(34)
	Total	**18,703**	**8,271**

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

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

(ii) Figures in brackets indicate cash outgo.

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

For **Price Waterhouse Chartered Accountants LLP(*)**
Firm Registration Number: 012754N/N500016

RAJIB CHATTERJEE
Partner
Membership No.: 057134

Place: Noida
Date : May 12, 2015
(*) Formerly known as "Price Waterhouse"

The notes are an integral part of these Consolidated financial statements

For and on behalf of the Board

V.C. SEHGAL
Chairman

NORIYO NAKAMURA
Director

PANKAJ MITAL
Whole-time Director/
Chief Operating Officer

G.N. GAUBA
Chief Financial Officer &
Company Secretary

Notes to the Consolidated financial statements

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

1. General Information

Motherson Sumi Systems Limited (MSSL or 'the Company') is incorporated in India on 19th December 1986 and is engaged primarily in the manufacture and sale of components to automotive original equipment manufacturers. The Company is a public limited company and is listed on the Bombay Stock Exchange, National Stock Exchange, Ahmedabad Stock Exchange and Delhi Stock Exchange*. The Company is a joint venture entity between Samvardhana Motherson International Limited (SMIL) and Sumitomo Wiring Systems Limited, Japan. The group comprises of MSSL and its directly and indirectly held 93 subsidiaries (including stepdown subsidiaries), 11 Joint ventures and 2 associates. The group has manufacturing plants in India, Sri Lanka, Thailand, United Arab Emirates (UAE), Australia, United Kingdom (UK), Germany, Hungary, Portugal, Spain, France, Slovakia, China, South Korea, USA, Brazil, Mexico, Czech Republic, Japan, South Africa, and Ireland.

*SEBI has withdrawn recognition to Delhi Stock Exchange vide order dated 19th November, 2014 and the matter is currently sub-judice in Hon'ble Delhi High Court.

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 makes 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", issued by The Institute of Chartered Accountants of India.

(ii) Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date of disposal.

(iii) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses.

(iv) The excess of the cost of acquisition over the Company's portion of equity and reserves of the subsidiary company at each time an investment is made in a subsidiary is recognized in the financial statements as goodwill. 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", issued by The Institute of Chartered Accountants of India. 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", issued by The Institute of Chartered Accountants of India, 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. During the current year, the Company changed its group accounting policy of cost determination for Inventory valuation from First-in-First-Out (FIFO) to Weighted Average. 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 ₹ 2,303 million (Previous Year ₹ 19,115 million on weighted average basis) as at March 31, 2015. Such inventories are 6.14% (Previous Year 58.2% on weighted average basis) 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 fluctuation reserve.

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.

2.4 Tangible Assets

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any, except tangible assets of the Component Division of erstwhile Motherson Auto Components Engineering Limited (MACE) and erstwhile India Nails Manufacturing Limited (formerly India Nails Manufacturing Private Limited, subsidiary which has been merged with the Company w.e.f April 1, 2011) which have been revalued on December 31, 1998 and on March 31, 2005 respectively and except assets costing less than ₹ 5,000 to ₹ 350,000 each charged to expense, which could otherwise have been included as tangible asset, in accordance with Accounting Standard 10 -'Accounting for Fixed Assets', because the amount is not material.

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

a) Land at the prevailing market rates as certified by approved valuation experts as on the date of revaluation.

b) Building, plant and machinery and other assets of MACE at their replacement values as certified by 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, as follows:

	Indian Entities Useful lives	Overseas Entities Useful lives
Leasehold Land	Over the period of lease	
Freehold Land	Nil	
Leasehold improvements	Over the period of lease	
Building	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 equipment's	5 years	3 to 10 years
Computer:		
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

2.5 Intangible Assets

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

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

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

2.7 Impairment of Assets

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

2.8 Investments

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

Investment Property

Investment in land & 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 realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.10 Foreign Currency Translations and Derivative Instruments

Initial Recognition

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

Subsequent Recognition

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

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

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

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

Forward Exchange Contracts

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

Effective April 01, 2012, the Company adopted Accounting Standard-30 "Financial Instruments: Recognition and Measurement" issued by The Institute of Chartered Accountants of India to the extent the adoption does not contradict with the accounting standards notified under Section 211(3C) [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, issued by The Institute of Chartered Accountants of India, 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.

2.11 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 recognized net of trade discounts, rebates, sales taxes and excise duties.

Sale of Services

In contracts involving the rendering of services, revenue is recognized as per terms of the contracts

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 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

Pensions

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.

SMRP BV 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 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 entities of SMRP BV group, 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.

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 losses, that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets and liabilities are measured using the tax rates and tax laws 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 recognized amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

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

Fringe Benefit Tax

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

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

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

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

As a lessor

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

2.18 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 and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated corporate expenses".

2.19 Cash and Cash Equivalents

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

2.20 Earnings Per Share (EPS)

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

3. Share Capital

	As At March 31, 2015	As At March 31, 2014
Authorised		
2,873,000,000 Equity shares of ₹ 1/- each(Previous Year 2,873,000,000 Equity Shares of ₹ 1/- each)	2,873	2,873
25,000,000 8% Convertible Cumulative Preference Shares of ₹ 10/- each (Previous Year 25,000,000 Preference Shares of ₹ 10/- each)	250	250
Issued		
881,919,360 Equity Shares of ₹ 1/- each (Previous Year 881,919,360[1] Equity Shares of ₹ 1/- each)	882	882
Subscribed and Paid up		
881,919,360 Equity Shares of ₹ 1/- each (Previous Year 881,919,360[1] Equity Shares of ₹ 1/- each)	882	882
TOTAL	**882**	**882**

[1] During the previous year, the Company had alloted 293,973,120 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, 2015		As at March 31, 2014	
	Number	Amount	Number	Amount
Balance as at the beginning of the year	881,919,360	882	587,946,240	588
Add: Bonus Shares issued by capitalisation of Securities Premium Account and Capital Redemption Reserve during the year	-	-	293,973,120	294
Balance as at the end of the year	**881,919,360**	**882**	**881,919,360**	**882**

b. Rights, preferences and 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 shareholding.

c. Aggregate number of Shares allotted as fully paid up by way of bonus shares (during 5 years immediately preceding March 31, 2015).

	Aggregate No. of shares issued in last five years	Bonus Shares Alloted in the year ended				
		March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
Equity shares allotted as fully paid bonus shares by capitalization of Securities Premium Account and Capital Redemption Reserve	489,955,200	-	293,973,120	195,982,080	-	-

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

Equity Shares	March 31, 2015		March 31, 2014	
	Number	%	Number	%
Samvardhana Motherson International Limited	325,566,564	36.92%	318,531,564	36.12%
Sumitomo Wiring Systems Limited	223,013,854	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, 2015		As at March 31, 2014	
Capital Reserve				
Balance as at the beginning of the year	125		65	
Additions during the year [1]	82		62	
Deductions during the year	-		(2)	
Balance as at the end of the year		207		125
Capital Reserve on Consolidation				
Balance as at the beginning of the year	1,315		1,315	
Additions during the year [2]	293		-	
Deductions during the year (Allocation to minority interest)	(219)		-	
Balance as at the end of the year		1,389		1,315

	As at March 31, 2015		As at March 31, 2014	
Capital Redemption Reserve				
Balance as at the beginning of the year	-		150	
Additions during the year	-		-	
Deductions during the year [3]	-		(150)	
Balance as at the end of the year		-	-	-
Securities Premium Account				
Balance as at the beginning of the year	3,313		3,457	
Deductions during the year [3]	-		(144)	
Balance as at the end of the year		3,313		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	3,681		2,073	
Additions during the year	(1,854)		1,608	
Balance as at the end of the year		1,827		3,681
General Reserve				
Balance as at the beginning of the year	3,515		2,886	
Transfer from Surplus in Statement of Profit and Loss during the year	115		629	
Balance as at the end of the year		3,630		3,515
Surplus in Statement of Profit and Loss				
Balance as at the beginning of the year	15,003		10,597	
Additions during the year	8,625		7,650	
Transfer to General Reserve	(115)		(629)	
Additions on Amalgamation*	0		-	
Deductions during the year:				
Proposed dividend (Refer Note 12)	(2,646)		(2,205)	
Tax on dividend (Refer Note 12)	(539)		(375)	
Tax paid consolidated companies	(37)		(35)	
Retained Earning - other addition / (deletion) (Refer note 31)	(60)		-	
Balance as at the end of the year		20,231		15,003
Total		**32,356**		**28,711**

[1]a) Being subsidiy of ₹ 53 million (Previous year ₹ 47 million) under Rajasthan Promotion Scheme 2010 w.r.t. units of the Company at Rajasthan and ₹ 29 million (Previous year : Nil), 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 ; and

b) Nil (Previous year ₹ 15 million) from Mexican Government against cash incentive; recognised during the year in accordance with Accounting Standard 12 ""Accounting for Government Grants"", notified under section 211(3C) [Companies (Accounting Standards) Rule, 2006, as amended].

[2] Being capital reserves on acquisition of Mexican operations of Scherer & Trier group (Refer note 52)

[3] During the previous year, the Company allotted 293,973,120 equity shares of ₹ 1/- each as bonus shares by capitalisation of Securities Premium Account and Capital Redemption Reserve Account.

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

Bracket denotes appropriations / deductions.

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

5 Long Term Borrowings

	Non Current Portion		Current Maturities	
	As At March 31, 2015	As At March 31, 2014	As At March 31, 2015	As At March 31, 2014
Secured				
i) 4⅛% Senior Secured Notes Due 2021 (Refer Note 46) (EUR 500 million)	33,529	-	-	-
ii) Term loans:				
From Banks:				
- Rupee Loan	135	-	38	-
- Foreign currency loan	4,345	22,400	1,122	5,893
From others				
- Indian rupee loan	41	14	4	12
- Foreign Currency Loan	23	-	3	-
iii) Finance lease liabilities	765	1,674	534	639
	38,838	**24,088**	**1,701**	**6,544**
Unsecured:				
i) Term loan:				
From Banks:				
- foreign currency loan	519	3,840	486	1,702
From others				
- Indian rupee loan	34	126	-	-
- Foreign currency loan	1,343	1,200	15	186
ii) Deposits from related parties				
- Foreign currency loan - from related party (Refer note 39)	22	20	-	20
- Indian rupee loan - from related party (Refer note 39)	103	560	-	-
	2,021	**5,746**	**501**	**1,908**
Amounts disclosed under the head "other current liabilities" (Refer Note 11)			(2,202)	(8,452)
Total	**40,859**	**29,834**	**-**	**-**

a) Nature of Security and terms of repayment for secured borrowings:

Nature of Security	Terms of Repayment
4⅛% Senior Secured Notes Due 2021	
i. Loan amounting to ₹ 33,529 million (March 31, 2014: Nil) secured by: a. Guarantee given by some of the material subsidiaries of Samvardhana Motherson Automotive Systems Group B.V. b. 100% share pledge of material subsidiaries of Samvardhana Motherson Automotive Systems Group B.V. c. 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, up to 35% of the Notes with the net proceeds from certain equity offerings.

Nature of Security		Terms of Repayment
Long term Indian Rupee loans from Bank include:		
i.	Loan amounting to ₹ 141 million (March 31, 2014: Nil) Secured by first and exclusive charge on entire movable and immovable fixed assets of the company at Chennai Plant 1, 4/113 Varadharajapuram, Chennai - Bangalore Highway, Poonamallee, Chennai	Repayable in 16 Quarterly Installments, commencing from January, 2015
ii	Loan amounting to ₹ 32 million (March 31, 2014: Nil) 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.	Repayable in 28 quarterly installments commencing from June, 2016
Long term foreign currency loans from Bank include:		
i	Loan amounting to ₹ 3,555 million (March 31, 2014 : ₹ 4,396 million) secured by first pari passu charge on entire fixed assets, both movable & immovable, of the Company present and future and second pari passu charge on the entire current assets of the Company. These are also secured by way of deposit of title deeds of specified properties.	1) ₹ 125 million (March 31, 2014 : ₹ 359 million) is repayable in 3 half yearly installments till July 2015. 2) ₹ 1,125 million (March 31, 2014 : ₹ 1,079) repayable in 4 half yearly installments commencing from March 2017 till September 2018. 3) ₹ 78 million (March 31, 2014 : ₹ 225 million) is repayable in 6 quarterly installments till September 2015 4) ₹ 117 million (March 31, 2014 : ₹ 262 million) is repayable in 7 quarterly installments till December 2015 5) ₹ 1,188 million (March 31, 2014: ₹ 1,378 million) is repayable in 9 half yearly installments commencing from February 2014 till August 2018. 6) ₹ 688 million (March 31, 2014 : ₹ 779 million) is repayable in 8 half yearly installments commencing from August 2012 till February 2018. 7) Loan amounting to ₹ 234 million (March 31, 2014: ₹ 314 million) repayable in 7 half yearly installments commencing from February 2014 till August 2017 The applicable rate of interest in respect of these loans is within a range of 0.4% p.a. to 3% p.a. over 3 to 6 months US$/JPY Libor and 5% to 8% in respect of loans hedged through swap contracts.
ii	Loan amounting to ₹ 934 million (March 31, 2014: ₹ 849 million) Secured against: 1) General notarial bond to the value of ZAR 181,000,000 plus additional costs over the movable assets of the Company`s Durban plant, in favour of the Lender. 2) The special notarial bond to the value of ZAR 95,000,000 plus additional costs over the plant and equipment assets of the Company funded using the Plant and Equipment Loan in favour of the Lender. 3) a first mortgage bond over the property to the value of ZAR 80,000,000 plus additional costs, in favour of the Lender.	Repayable in monthly installments commencing from October 2014 till June 2020. The applicable rate of interest is 3% below the Prime Rate as applicable in South Africa.

	Nature of Security	Terms of Repayment
iii	Loan amounting to Nil (March 31, 2014: ₹ 4,913 million) secured by: (a) first priority pari-passu charge over all assets of the Samvardhana Motherson Peguform GmbH and Samvardhana Motherson Automotive Systems Group B.V. (except pledge over shares of SMP Automotive Systems Mexico S.A. de C.V, SMP Deutschland GmbH and SMP Automotive Technology Iberica S.L.) (b) Pledge over shares of the Samvardhana Motherson Peguform GmbH and Samvardhana Motherson Automotive Systems Group B.V. (c) Second charge over assets of SMP Deutschland GmbH and all its German subsidiaries. (d) Corporate Guarantee of the Company for an aggregate amount of USD equivalent of EUR 106.7 million."	Repayable on quarterly installment commencing from August 2012 until November 2016. During current year, loan has been fully prepaid, accordingly securities as mentioned has been released. The applicable rate of interest is 3 months USD LIBOR plus 3.25% to 3.50%.
iv.	Loan amounting to Nil (March 31, 2014: ₹ 1,980 million) Secured against: i) Charge over fixed assets of SMP Automotive Exterior GmbH ii) Pledge of shares of SMP Automotive Exterior GmbH iii) Corporate guarantee of the Company & Samvardhana Motherson International Limited in the ratio of 51%:49%	Repayable in quarterly payment amounting Euro 2.5 million until October 2021. During current year, loan has been fully prepaid, accordingly securities as mentioned has been released. The applicable rate of interest is 3M-Euribor+3.9% margin.
v.	Loan amounting to Nil (March 31, 2014: ₹ 2,995 million) Secured against: i) Second charge over current assets of SMP Deutschland GmbH and all its German subsidiaries. ii) Corporate Guarantee of Samvardhana Motherson International Limited alongwith pledge of the Company's shares (1.5x times on outstanding loan) for an amount 1.1x times on outstanding loan.	Repayable in 3 installments of Euro 12.1 Million each starting from November 2015. During current year, loan has been fully prepaid, accordingly securities as mentioned has been released. The applicable rate of interest is 3 months USD LIBOR plus 4%.
vi.	Loan amounting to ₹ 113 million (March 31, 2014: ₹ 147 million) secured by General Notarial Bond on assets of Vacuform 2000 Pty Ltd.	1) ₹ 48 million (March 31, 2014 : ₹ 55 million) is repayable in 60 equal monthly installments commencing from 31 January 2015. 2) ₹ 65 million (March 31, 2014 : ₹ 92 million) is repayable 60 equal monthly installments commencing from 31 March 2014. The applicable rate of interest in respect of these loans is within a range of 7.5% p.a. to 12% p.a.
vii.	Loan amounting to ₹ 520 million (March 31, 2014: ₹ 409 million) secured by mortgage of land and plant and machinery of SMR Automotive Brasil Ltda.	Repayable in 6 half yearly installments commencing from September 2013. The applicable rate of interest is CDI (Inter Bank Deposit Certificate - Brasilian) + 4% spread per year.
viii	Loan amounting to ₹ 46 million (March 31, 2014: ₹ 69 million). The loan is secured against mortgage of plant and machinery.	Repayable in equal monthly installments commencing from November 2013. The applicable rate of interest is 5.92%

Nature of Security		Terms of Repayment
ix	Loan amounting to ₹ 16 million (March 31, 2014: Nil) secured against mortgage of plant and machinery.	Repayable in monthly installments starting from May 2014, ending in March 2019 The applicable rate of interest is 5%
x	Loan amounting to ₹ 227 million (March 31, 2014: Nil) secured by specified assets located at Boetzingen plant of SMP Deutschland GmbH	Repayable in monthly installments starting from January 2016, ending in June 2020 The applicable rate of interest is 2.75% p.a.
xi	Loan amounting to ₹ 26 million (March 31, 2014: Nil) secured against land and building of MSSL Japan.	Repayable in 57 quarterly installments starting from June 2015. The applicable rate of interest is Tibor + 0.95% p.a.
xii	Loan amounting to ₹ 30 million (March 31, 2014 : ₹ 27 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% p.a.
xiii	Loan amounting to ₹ 0* (March 31, 2014 : ₹ 10 million) secured by pledge of plant & machinery of Samvardhana Motherson Invest Deutschland GmbH	1) Nil (March 31, 2014 : ₹ 7 million) is repayable in monthly installments until December 2014. 2) ₹ 0* million (March 31, 2014 : ₹ 3 million) is repayable in monthly installments until June 2015. The applicable rate of interest in respect of these loans is within a range of 5% p.a. to 9% p.a.
xiv	Loan amounting to Nil (March 31, 2014 : 27 million) secured by lien on injection moulding machines and second grade mortgage of land and building of MSSL Advanced Polymers s.r.o.	Repayable in monthly installments along with interest of 4.93% p.a. During current year, loan has been fully prepaid, accordingly securities as mentioned has been released.
xv	Loan amounting to Nil (March 31, 2014 : ₹ 14 million) secured by fixed and floating charge over property of MSSL Australia Pty Ltd, Motherson Elastomers Pty Limited and Motherson Investments Pty Limited and registered mortgage over specified properties situated in Victoria, Australia.	During current year, loan has been fully paid. The applicable rate of interest is 5.18% p.a.
xvi	Loan amounting to Nil (March 31, 2014: ₹ 5,173 million) secured by: (a) first priority pari-passu charge over all assets of the Samvardhana Motherson Peguform GmbH and Samvardhana Motherson Automotive Systems Group B.V. (except pledge over shares of SMP Automotive Systems Mexico S.A. de C.V, SMP Deutschland GmbH and SMP Automotive Technology Iberica S.L.) (b) Pledge over shares of the Samvardhana Motherson Peguform GmbH and Samvardhana Motherson Automotive Systems Group B.V. (c) Second charge over assets of SMP Deutschland GmbH and all its German subsidiaries. (d) Corporate Guarantee of Samvardhana Motherson International Limited for an aggregate amount of USD equivalent of EUR 102.3 million.	Repayable on yearly basis commencing from November 2013 until November 2016. During current year, loan has been fully prepaid, accordingly securities as mentioned has been released. The applicable rate of interest is 3 months USD LIBOR plus 3.25% to 3.50%.

	Nature of Security	Terms of Repayment
xvii	Loan amounting to Nil (March 31, 2014: ₹ 6,583 million) secured by: (a) first ranking security interest over all assets (including brands, patents, intangibles, investments in group companies) of SMP Deutschland GmbH and SMP Automotive Technology Iberica S.L., Samvardhana Motherson Automotive Systems Group B.V., Samvardhana Motherson Peguform GmbH, Samvardhana Motherson Peguform Barcelona S.L.U, SMP Automotive Solutions Personalleasings GmbH, SMP Automotive Systems Mexico S.A. de C.V. and SMP Automotive Produtos Automotivos do Brasil Ltda; (b) first and exclusive charge over all the current assets of the SMP Deutschland GmbH and SMP Automotive Technology Iberica S.L.and their subsidiaries; (c) pledge over 80% shareholding acquired of SMP Deutschland GmbH and SMP Automotive Technology Iberica S.L. (d) negative lien over 50% shares of Chanchun Peguform Automotive Plastics Technology Co. Ltd.	Repayable on quarterly installments commencing from August 2012 until November 2017. During current year, loan has been fully prepaid, accordingly securities as mentioned has been released. The applicable rate of interest is 3 months EURIBOR plus 3.75%
xviii	Loan amounting to NIL (March 31, 2014: ₹ 137 million) secured by mortgage on the plant of SMR Automotive Systems Spain S.A.U.	Repayable in 60 equal monthly installments (after 2 years moratorium) until September 2018. During current year, loan has been fully prepaid, accordingly securities as mentioned has been released. The applicable rate of interest is 5.39% p.a.
xix	Loan amounting to Nil (March 31, 2014: ₹ 42 million) secured against purchase order from customers.	Bullet repayment at once when purchase order from customer is paid. The applicable rate of interest is 3.79% p.a.
xx	Loan amounting to Nil (March 31, 2014: ₹ 189 million) secured by mortgage of land and plant & machinery at SMR Automotive System (Thailand) Ltd and additionally by Corporate Guarantee of Samvardhana Motherson Reflectec Group Holdings Limited.	Repayable in 60 equal monthly installments until August 2017. During current year, loan has been fully prepaid, accordingly securities as mentioned has been released. The applicable rate of interest is MLR - 1.25% p.a.
xxi	Loan amounting to Nil (March 31, 2013: ₹ 63 million) secured against Plastic Molding Machine Equipments of SMR Automotive System (Thailand) Ltd	Repayable in 48 equal monthly installments until June 2018. During current year, loan has been fully prepaid, accordingly securities as mentioned has been released. The applicable rate of interest is 6% p.a.
xxii	Loan amounting to Nil (March 31, 2014: ₹ 68 million) Secured against Mortgage of Plant of SMR Automotive Systems Spain S.A.U	Repayable in 84 monthly installments until December 2019. During current year, loan has been fully prepaid, accordingly securities as mentioned has been released. The applicable rate of interest is 5.42%.
xxiii	Loan amounting to Nil (March 31, 2014: ₹ 70 million) Secured against receivables, 2 generators and paint line of SMP Automotive Produtos Automotivos do Brasil Ltda.	The Loan is repayable in monthly installments upto October' 2014. The Loan has been paid during the year, accordingly securities as mentioned has been released. The applicable rate of interest is CDI (Inter Bank Deposit Certificate - Brasilian) + 8% spread per year.
xxiv	Loan amounting to Nil (March 31, 2014: ₹ 101 million) Secured against specified Machinery.	Repayable in equal monthly installments commencing from September 2014. The applicable rate of interest is 5.5%

Notes to the Consolidated financial statements

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

	Nature of Security	Terms of Repayment
xxv	Loan amounting to Nil (March 31, 2014: ₹ 31 million).	Repayable in equal monthly installments commencing from September 2014. The applicable rate of interest is 5.5%
	Long term Indian Rupee Loans from Other than Banks include:	
i	Loan amounting to ₹ 45 million (March 31, 2014: ₹ 26 million) secured by against land acquired from NOIDA authority under installment plan.	Repayable in 6 half yearly installments commencing from December 2014. The applicable rate of interest is 11% p.a.
	Long term Foreign Currency Loans from Other than Banks include:	
ii	Loan amounting to ₹ 26 million (March 31, 2014: Nil) secured by against Mortgage of the plant	Repayable in 84 monthly installments. The applicable rate of interest is 5.1% p.a.
	Foreign Currency Finance Lease Liabilities Other than Banks include:-	
iii	Finance Leases amounting to ₹ 1,299 million (March 31, 2014: ₹ 2,313 million) are secured by hypothecation of assets underlying the leases.	₹ 44 million (March 31, 2014 :₹ 59 million) repayable in monthly installments. ₹ 975 million (March 31, 2014: ₹ 1,601 million) repayable in quarterly installments. Nil million (March 31, 2014 : ₹ 128 million) repayable in two installments per year upto August 2015 During current year, loan has been fully prepaid. ₹ 280 million (March 31, 2014 : ₹ 525 million) repayable in monthly installments."
(b)	**Terms of repayment for unsecured borrowings:**	
	Unsecured Foreign Currency Term Loans from Banks -	
i	Loan amounting to ₹ 833 million (March 31, 2014: ₹ 1,198 million). The Company has given an undertaking not to create any lien on the assets purchased/to be purchased out of this loan.	Repayable in 3 yearly installments commencing from January 2015 till January 2017.
ii	Loan amounting to Nil (March 31, 2014: ₹ 599 million) against: 1) Corporate guarantee of the Company for 100% of facility amount. 2) Undertaking from the Company and Samvardhana Motherson International Limited that they would not reduce there shareholding in SMR below 75%.	Repayable in 4 annual installments. During current year, loan has been fully prepaid.
iii	Loan amounting to Nil (March 31,2014: ₹ 761 million) against: 1) Corporate guarantee of the Company for 100% of facility amount. 2) Negative lien on pledge of shares of operating subsidiaries of Samvardhana Motherson Reflectec Group Holdings Limited 3) Negative lien on assets of operating subsidiaries for any loan availed in operating subsidiaries of Samvardhana Motherson Reflectec Group Holdings Limited over and above Euro 30 million on consolidated basis. 4) Undertaking from the Company and Samvardhana Motherson International Limited that they would not reduce there shareholding in SMR below 75%.	Repayable in 16 quarterly installments. During current year, loan has been fully prepaid.

	Nature of Security	Terms of Repayment
iv	Loan amounting to ₹ 26 million (March 31,2014: ₹ 712 million) against: 1) Negative lien on pledge of shares of operating subsidiaries of Samvardhana Motherson Reflectec Group Holdings Limited 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 there shareholding in SMR below 75%.	Repayable in 16 quarterly installments commencing from January 2016. The applicable rate of interest is 1.5%
v.	Loan amounting to Nil (March 31,2014: ₹ 539 million) against by Corporate Guarantee from SMR Poong Jeong Automotive Mirrors Korea Ltd.	Repayable in 3 Years During current year, loan has been fully prepaid.
vi.	Loan amounting to ₹ 82 million (March 31,2014: ₹ 1,733 million), unsecured.	Loan amounting to ₹ 34 million (March 31, 2014: ₹ 52 million) carrying interest rate of 5.60%, repayable in monthly installments upto April, 2019.
		Loan amounting to ₹ 48 million (March 31, 2014: ₹ 58 million) Repayable in 12 equal monthly installments (after 1 year moratorium) until February 2016.
		Loan amounting to Nil (March 31, 2014: ₹ 2 million) repayable in monthly installments upto August, 2015. During current year, loan has been fully prepaid.
		Loan amounting to Nil (March 31, 2014: ₹ 42 million) repayable in monthly installments upto February 2015. During current year, loan has been fully prepaid.
		Loan amounting to Nil (March 31, 2014: ₹ 116 million) repayable in monthly installments upto May 2015. During current year, loan has been fully prepaid.
		Loan amounting to Nil (March 31, 2014: ₹ 46 million) repayable in monthly installments upto November 2013
		Loan amounting to Nil (March 31, 2014: ₹ 7 million) repayable in monthly installments upto September 2015. During current year, loan has been fully prepaid.
		Loan amounting to Nil (March 31, 2014: ₹ 10 million) repayable in monthly installments upto January 2016. During current year, loan has been fully prepaid.
		Loan amounting to Nil (March 31, 2014: ₹ 5 million) repayable in monthly installments upto January 2016. During current year, loan has been fully prepaid.
		Loan amounting to Nil (March 31, 2014: ₹ 11 million) repayable in monthly installments upto December 2015. During current year, loan has been fully prepaid.
		Loan amounting to Nil (March 31, 2014: ₹ 62 million). Bullet Repayment in March 2015. During current year, loan has been fully prepaid.
		Loan amounting to Nil (March 31, 2014: ₹ 83 million). Bullet Repayment in September 2015. During current year, loan has been fully prepaid.

Notes to the Consolidated financial statements

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

	Nature of Security	Terms of Repayment
		Loan amounting to Nil (March 31, 2014: ₹ 1,237 million). Bullet Repayement in August 2017. During current year, loan has been fully prepaid.
		Loan amounting to Nil (March 31, 2014: ₹ 2 million) Repayment due in November 2015. During current year, loan has been fully prepaid.
	Loan amounting to ₹ 42 million (March 31, 2014: Nil) Secured against specified Machinery.	Repayable in equal monthly installments commencing from September 2014. The applicable rate of interest is 5.5% p.a.
	Loan amounting to ₹ 22 million (March 31, 2014: Nil).	Repayable in equal monthly installments commencing from September 2014. The applicable rate of interest is 5.5% p.a.
	Unsecured Indian Rupee Loans from Other than Banks-	Loan amounting to ₹ 2 million (March 31, 2014: ₹ 2 million) are non cumulative preference shares allotted to joint venturer, compulsorily convertible into equity shares of KIML at the end of 20 years from the date of issue i.e. 24th March 2010.
		Loan amounting to ₹ 7 million (March 31, 2014: ₹ 112 million) repayable in 10 equal half yearly installments commencing from April 2016.
		Loan amounting to ₹ 25 million (March 31, 2014: ₹ 12 million) repayable in December 2016.
	Unsecured Foreign Currency Loans from Other than Banks -	Loan amounting to ₹ 3 million (March 31, 2014: ₹ 6 million) repayable in half yearly installments until June 2016.
		Loan amounting to ₹ 47 million (March 31, 2014: ₹ 48 million) with no fixed repayments terms.
		Loan amounting to ₹ 265 million (March 31, 2014: ₹ 169 million) repayable in quarterly installments until June 2025.
		Loan amounting to ₹ 41 million (March 31, 2014: ₹ 48 million) repayable in 10 yearly installments commencing from 2074.
		Loan amounting to ₹ 30 million (March 31, 2014: ₹ 35 million) repayable in various installments starting after 4 years to be repaid in 10 years with final maturity in 2026.
		Loan amounting to ₹ 2 million (March 31, 2014: ₹ 19 million) repayable in various installments starting after 2 years to be repaid in 12 years.
		Loan amounting to ₹ 25 million (March 31, 2014: ₹ 30 million) repayable in half yearly installments upto January, 2025.
		Loan amounting to ₹ 271 million (March 31, 2014: ₹ 123 million) repayable in 3 repayment per year upto June, 2026.
		Loan amounting to ₹ 674 million (March 31, 2014: ₹ 526) repayable in 9 Equal half yearly instalments from 36 month from date of each drawdown.

Nature of Security	Terms of Repayment
	Loan amounting to Nil (March 31, 2014: ₹ 25 million) repayable until March 2015.
	Loan amounting to Nil (March 31, 2014: ₹ 157 million) renewable yearly.
	Loan amounting to Nil (March 31, 2014: ₹ 200) installments commencing from 2074. During current year, loan has been fully prepaid.
Unsecured Foreign Currency Loans from Related Party -	Loan amounting to Nil (March 31, 2014: ₹ 20 million) repayable until June 2014.
	Loan amounting to ₹ 22 million (March 31, 2014: ₹ 5 million) repayable upto March 2017.
	Loan amounting to Nil (March 31, 2014: ₹ 4 million) repayable upto June 2015. During current year, loan has been fully prepaid.
	Loan amounting to Nil (March 31, 2014: ₹ 2 million) repayable upto November 2015. During current year, loan has been fully prepaid.
	Loan amounting to Nil (March 31, 2014: ₹ 2 million) repayable upto February 2016. During current year, loan has been fully prepaid.
	Loan amounting to Nil (March 31, 2014: ₹ 2 million) repayable upto December 2016. During current year, loan has been fully prepaid.
	Loan amounting to Nil (March 31, 2014: ₹ 3 million) repayable upto December 2016. During current year, loan has been fully prepaid.
	Loan amounting to Nil (March 31, 2014: ₹ 2 million) repayable upto December 2017. During current year, loan has been fully prepaid.
Unsecured Indian Rupee Loans from Related Party-	Loan amounting to ₹ 83 million (March 31, 2014: ₹ 560 million) repayable upto March 2017
	Loan amounting to ₹ 20 million (March 31, 2014: Nil) repayable upto June 2016

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

6 Deferred Tax Liabilities (Net)

	As At March 31, 2015	As At March 31, 2014
Deferred tax liabilities		
Depreciation	1,446	1,683
Others	93	236
Deferred tax assets		
Provision for Employee benefits	-	71
Others	82	168
Total	**1,457**	**1,680**

Deferred Tax Assets and Deferred Tax Liabilities 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)

7 Other Long Term Liabilities

	As At March 31, 2015	As At March 31, 2014
Trade payables	2	16
Other Payables:		
Advance from customers	1,126	234
Unearned revenue	1,772	1,647
Retention money	10	4
Security deposit received	73	74
Advance recovery from employees	61	59
Others	47	49
Total	**3,091**	**2,083**

8 Long Term Provisions

	As At March 31, 2015	As At March 31, 2014
i) Provision for employee benefits		
- Gratuity and pensions (Refer note 37)	1,046	1,034
- Compensated absences (Refer note 37)	260	172
- Longevity / Jubilee bonus	133	123
- Others	550	537
ii) Other Provisions (Refer note 44)		
- for warranties	94	114
- for litigations / disputes	97	63
Total	**2,180**	**2,043**

9 Short Term Borrowings

	As At March 31, 2015	As At March 31, 2014
Secured		
i) Loans repayable on demand from banks		
- Rupee Loan [1]	266	1,495
- Foreign Currency Loan [2]	5,606	3,901
ii) Other short term loans from banks		
- Rupee Loan [3]	-	718
- Foreign Currency Loan [4]	1,458	2,310
	7,330	**8,424**
Unsecured:		
i) Loans repayable on demand from banks		
- Rupee Loan	403	245
- Foreign Currency Loan	512	1,290
ii) Other short term loans from banks		
- Rupee Loan	-	12
- Foreign Currency Loan	-	140
	915	**1,687**
Total	**8,245**	**10,111**

Nature of Security for secured borrowings:

[1] ₹ 201 million (March 31, 2014 : ₹ 1,240 million) secured by first pari passu charge on entire current assets of the Company including receivables, both present and future and second pari passu charge over the fixed assets of the Company including equitable mortgage of specified properties.
Nil million (March 31, 2014 : ₹ 150 million) secured by First & Exclusive charge on entire moveable and immoveable fixed assets of the company at the company owned Chennai plant.

₹ 27 million (March 31, 2014 : ₹ 16 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.

₹ 38 million (March 31, 2014 : ₹ 89 million) secured by first pari-passu charge both present and future on all current assets of SMR Automotive Systems India Limited

2 ₹ 2,062 million (March 31, 2014 : Nil) secured by charge on the inventory and receivables of the company

₹ 172 million (March 31, 2014 : 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. (Refer Note 46)

₹ 2,280 million (March 31, 2014 : 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.

₹ 803 million (March 31, 2014 : 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.

₹ 147 million (March 31, 2014 : Nil) represents carved out ancillary limit as per the Revolving facility Agreement and is secured by same collateral that secure the 4⅛% senior secure note. (Refer Notes 46)

₹ 142 million (March 31, 2014 : Nil) represents carved out ancillary limit as per the Revolving facility Agreement and is secured by same collateral that secure 4⅛% senior secure note. (Refer Notes 46)

Nil (March 31, 2014: ₹ 600 million) secured by pledge over the moveable inventories of SMR Automotive Mirror Technology Hungary Bt and Corporate Guarantee of Samvardhana Motherson Reflectec Group Holdings Limited.

Nil (March 31, 2014: ₹ 1,114 million) secured by pledge over receivables and inventory of SMR Automotive Systems USA Inc.

Nil (March 31,2014: ₹ 414 million) under factoring arrangements, secured against underlying receivables of SMR Automotive Systems France S.A.

Nil (March 31, 2014: ₹ 302 million) secured against Account Receivables of SMR Automotive Mirror Technology Hungary Bt.

Nil (March 31, 2014: ₹ 57 million) secured by Corporate Guarantee of Samvardhana Motherson Reflectec Group Holdings Limited. and Mortgage over Land and Machinery at SMR Automotive System (Thailand) Ltd

Nil (March 31, 2014: ₹ 277 million) secured against fixed and floating charges over all assets of SMR Automotive Australia Pty Ltd

Nil (March 31, 2014: ₹ 161 million) secured against mortgage of land, building and plant and machinery of SMR Automotive Brasil Ltda

Nil (March 31,2014: ₹ 785 million) secured against account receivables of SMR Automotive Mirrors UK Ltd.

Nil (March 31,2014: ₹ 120 million) secured by the mortgage of the Building at SMR Automotive Vision Systems Mexico S.A. de C.V.

Nil (March 31, 2014: ₹ 71 million) secured over assets (like land and building and sets of tangible fixed assets, customer receivables and subordination of intercompany loans granted by group companies) of MSSL Advanced Polymers s.r.o.

3 Nil (March 31, 2014: ₹ 718 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.

4 ₹ 746 million(March 31, 2014: 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.

₹ 712 million (March 31, 2014: Nil) secured by Corporate Guarantee of SMR Poong Jeong Automotive Mirrors Korea Ltd.

Nil (March 31, 2014: ₹ 2,310 million) secured by:

(a) first ranking security interest over all assets (including brands, patents, intangibles, investments in group companies) of the SMP Deutschland GmbH and SMP Automotive Technology Iberica, S.L., Samvardhana Motherson Automotive Systems Group B.V., Samvardhana Motherson Peguform GmbH , Samvardhana Motherson Peguform Barcelona, S.L.U. , SMP Automotive Systems Mexico S.A. de C.V and SMP Automotive Produtos Automotivos do Brasil Ltda.

(b) First and exclusive charge over all the current assets of the SMP Deutschland GmbH and SMP Automotive Technology Iberica, S.L and their subsidiaries.

(c) Pledge over 80% shareholding acquired of SMP Deutschland GmbH and SMP Automotive Technology Iberica, S.L.

(d) Negative lien over 50% shares of Changchun Peguform Automotive Plastics Technology Co. Ltd

Notes to the Consolidated financial statements

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

10 Trade Payables

	As At March 31, 2015	As At March 31, 2014
Trade Payables		
- due to micro and small enterprises	29	19
- others	48,612	40,898
Total	**48,641**	**40,917**

11 Other Current Liabilities

	As At March 31, 2015	As At March 31, 2014
Other current liabilities		
- Current maturities of long term debt (Refer Note 5)	1,668	7,813
- Current maturities of finance lease obligations (Refer Note 5)	534	639
- Interest accrued but not due on borrowings	386	211
- Income received in advance	2,001	1,312
- Unpaid dividends [1]	15	13
- Accrued salaries and benefits	4,741	4,570
- Statutory dues payable	3,727	4,363
- Advances received from customers	6,390	3,799
- Security deposit received	11	9
- Advance recovery from employee	46	34
- Deferred Income related to future extra cost [2]	613	-
- Others	2,155	2,004
Total	**22,287**	**24,767**

[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.

[2] Being insurance proceeds received against business interruption costs to be incurred resulting from fire accident during previous year in respect SMP Automotive Technology Iberica S.L. plant at Barcelona, Spain.

12 Short Term Provisions

	As At March 31, 2015	As At March 31, 2014
i) Provision for Employee Benefits		
- Gratuity and pensions (Refer note 37)	129	74
- Compensated absences (Refer note 37)	94	118
- Others	77	53
ii) Other Provisions:		
- for warranties (Refer note 44)	824	757
- for litigation / disputes (Refer note 44)	120	93
- for onerous contracts (Refer note 44)	9	1
- for proposed dividend on equity shares	2,646	2,205
- for dividend distribution tax on proposed dividend on equity shares	539	375
- for income tax (Net of advance income tax)[1]	1,020	989
- for wealth tax	2	2
- for others	108	32
Total	**5,568**	**4,699**

[1] Advance income tax and provision for tax have been offset to the extent they relate to the same governing taxation laws.

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

13. Fixed Assets

Particulars	GROSS BLOCK							DEPRECIATION / AMORTIZATION						NET BLOCK	
	As at April 1, 2014	Additions on account the year of acquisition[4]	Additions	Disposals	Other Adjustments[1]	Exchange Translation Adjustment	March 31, 2015	April 31, 2014	Additions on account the year of acquisition[4]	Depreciation/ Amortization/ Impairment for the year[2a, 2b & 3]	Depreciation/ Amortization on Deletions / Sale/Adjustments	Other Adjustments[1]	Exchange Translation Adjustment	March 31, 2015	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	14	46	-	-	(29)	196	134
Buildings	22,829	959	3,066	2	-	(3,074)	23,778	6,299	252	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)	(7,591)	48,687	30,102
Furniture & fixtures	3,205	256	639	255	(0)	209	4,054	2,111	28	525	261	(10)	260	2,673	1,381
Office equipments	1,689	4	79	23	0	(623)	1,126	1,326	4	109	11	7	(585)	836	290
Computers	2,835	219	153	241	-	(766)	2,200	2,549	24	201	236	0	(772)	1,766	434
Vehicles	684	10	59	113	-	(42)	598	469	10	92	103	0	(30)	438	160
Total (A)	**116,604**	**4,011**	**13,707**	**2,306**	**(8)**	**(15,183)**	**116,841**	**63,241**	**946**	**8,616**	**1,882**	**(100)**	**(9,710)**	**61,311**	**55,530**
Assets Taken on Finance Lease:															
Buildings	1,223	-	-	-	-	(254)	969	377	-	38	-	-	(56)	359	610
Plant & Machinery	4,055	-	107	518	-	(548)	3,096	1,781	-	231	165	-	(358)	1,489	1,607
Furniture & fixtures	9	-	5	8	-	9	15	9	-	1	8	-	7	9	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)**	**(10,119)**	**63,173**	**57,755**
INTANGIBLE ASSETS															
Goodwill on Acquisition & Consolidation[5]	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	1,373	390
TOTAL INTANGIBLE ASSETS	**4,436**	**526**	**1,453**	**376**	**-**	**(527)**	**5,512**	**1,732**	**-**	**312**	**124**	**(0)**	**58**	**1,978**	**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)**	**(10,061)**	**65,151**	**61,289**

Notes to the Consolidated financial statements

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

Particulars	GROSS BLOCK							DEPRECIATION / AMORTIZATION						NET BLOCK	
	As at April 1, 2013	Additions on account the year of acquisition[4]	Additions	Disposals	Other Adjustments[1]	Exchange Translation Adjustment	March 31, 2014	April 31, 2013	Additions on account the year of acquisition[4]	Depreciation / Amortization/ Impairment for the year[2a, 2b & 3]	Depreciation/ Amortization on Deletions / Sale/Adjustments	Other Adjustments[1]	Exchange Translation Adjustment	March 31, 2014	March 31, 2014
TANGIBLE ASSETS															
Own Assets:															
Leasehold Land	1,623	-	60	-	-	56	1,739	187	-	29	0	-	20	236	1,503
Freehold Land	3,025	-	320	-	9	206	3,542	-	-	-	-	-	-	-	3,542
Leasehold Improvements	153	-	62	-	-	16	231	125	-	25	-	-	15	165	66
Buildings	19,244	-	1,860	103	-	1,828	22,829	4,932	-	805	78	0	640	6,299	16,530
Plant & Machinery	68,441	-	6,091	2,524	(0)	7,842	79,850	41,292	-	5,809	2,108	6	5,099	50,086	29,764
Furniture & fixtures	2,411	-	441	281	(259)	375	3,205	1,631	-	473	264	(6)	265	2,111	1,094
Office equipments	1,698	-	161	79	259	168	1,689	1,066	-	152	19	(1)	126	1,326	363
Computers	2,356	-	163	35	-	351	2,835	2,106	-	156	35	(0)	322	2,549	286
Vehicles	658	-	104	107	-	29	684	433	-	113	98	0	21	469	215
Total (A)	**99,609**	**-**	**9,262**	**3,129**	**9**	**10,871**	**116,604**	**51,772**	**-**	**7,562**	**2,602**	**(1)**	**6,508**	**63,241**	**53,363**
Assets Taken on Finance Lease:															
Buildings	1,192	-	-	-	212	243	1,223	254	-	36	-	(36)	51	377	846
Plant & Machinery	3,122	-	286	1	(212)	436	4,055	1,336	-	244	-	36	237	1,781	2,274
Furniture & fixtures	-	-	-	-	(8)	1	9	-	-	-	-	(8)	1	9	0
Office equipments	3	-	-	-	-	(0)	3	3	-	-	-	-	(0)	3	(0)
Computers	5	-	-	-	-	1	6	3	-	-	-	-	1	4	2
Vehicles	8	-	-	-	8	-	-	8	-	-	-	8	-	-	-
Total (B)	**4 ,330**	**-**	**286**	**1**	**(0)**	**681**	**5,296**	**1,604**	**-**	**280**	**-**	**(0)**	**290**	**2,174**	**3,122**
TOTAL TANGIBLE ASSETS (A+B)	**103,939**	**-**	**9,548**	**3,130**	**9**	**11,552**	**121,900**	**53,376**	**-**	**7,842**	**2,602**	**(1)**	**6,798**	**65,415**	**56,485**
INTANGIBLE ASSETS															
Goodwill on Acquisition & Consolidation[5]	1,635	-	-	-	-	294	1,929	45	-	-	-	-	-	45	1,884
Technical Knowhow fees	313	-	-	16	-	47	344	166	-	18	11	-	24	197	147
Business & Commercial Rights	14	-	27	5	-	0	36	14	-	7	-	(7)	2	30	6
Intellectual Property Rights	548	-	276	28	-	97	893	467	-	35	11	8	82	565	328
Software	976	-	123	13	-	148	1,234	587	-	233	12	-	87	895	339
TOTAL INTANGIBLE ASSETS	**3,486**	**-**	**426**	**62**	**-**	**586**	**4,436**	**1,279**	**-**	**293**	**34**	**1**	**195**	**1,732**	**2,704**
GRAND TOTAL	**107,425**	**-**	**9,974**	**3,192**	**9**	**12,138**	**126,336**	**54,655**	**-**	**8,135**	**2,636**	**(0)**	**6,993**	**67,147**	**59,189**

1 Includes ₹ 89 million (Previous year Nil) on account of change in estimated useful life based on internal technical assessment (Refer Note 31). Further, remaining amount pertain to reclassifications.

2a Includes impairment loss amounting to ₹ 3 million (Previous Year Nil) recognised during the year (Refer Note 31).

2b Includes reversal of excess impairment loss of Nil (Previous Year ₹ 10 million) provided in previous year.

3 Includes depreciation of ₹ 10 million (Previous Year ₹ 9 million) capitalised during the year on assets used for creation of self generated assets. (Refer Note. 31)

4 Acquisition relates to assets acquired by the company through purchase of assets and business. Refer Note No 50 & 52

5 Refer Notes 47 & 48 for addition in goodwill on account of minority purchase and Refer note 50 for goodwill on account of acquisition

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, 2015	As At March 31, 2014
Long-term investment:				
Investment Property (at cost less accumulated depreciation)[1]				
Cost of Buildings			916	803
Add: Additions during the year			-	7
Add / (Less): Exchange translation adjustment			(128)	106
Gross Block			**788**	**916**
Accumulated depreciation:				
Opening balance			269	189
Add: Depreciation for the year			18	46
Add / (Less): Exchange translation adjustment			(51)	34
Net Block			**552**	**647**
Trade Investments (Unquoted, valued at cost)[2]				
Investment in associates:				
i	Saks Ancilliaries Limited			
	1,000,000 (Previous year:1,000,000) equity shares of ₹ 10/- each fully paid up			
	Net asset value as at the beginning of the year	32		
	Add: Share of profit/ (loss) for current year	1	33	32
ii	Re-time Pty Limited			
	350 equity share (Previous year: 406) of AUD 1/- each fully paid up			
	Investment at the acquisition date	25		
	Less : Disposal during the year	4		
	Add: Share of profit/ (loss) for current year	3		
	Add / Less: Exchange difference	(4)	20	25
	Investment in Partnership Firm			
	Faro Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG, Mainz [3]		-	0
	94% contribution towards nominal capital without any voting rights			
	Others:			
	Purpurin Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG [3]		0	0
	94 equity shares (Previous year: 94) of Euro 51.129 each fully paid up			
	Other Investments (valued at cost, unless stated otherwise)			
	Investment in equity instruments:			
	Quoted:			
	Ssangyong Motor Corporation 18,040 (Previous year 18,040) equity shares of Euro 3.394 each fully paid up		9	9
	Unquoted:			
	Motherson Sumi Infotech & Designs Ltd. i 1,250,000 (Previous year: 1,250,000) 7% preference shares of ₹ 10/- each fully paid up		13	13
	ii Motherson Sumi Infotech & Designs Ltd. 1,200,000 (Previous year: 1,200,000) Equity shares of ₹ 10/- each fully paid up		14	14
	iii Motherson Air Travel Agencies Ltd. 120,000 (Previous year: 120,000) equity shares of ₹ 10/- each fully paid up		1	1

Notes to the Consolidated financial statements

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

	As At March 31, 2015	As At March 31, 2014
iv Green Infra Wind Power Projects Limited 120,000 (Previous year:120,000) Equity shares of ₹ 10/- each fully paid up	1	1
v Comunidad de Vertidos, "Les Carrases" 882 (Previous year:882) Equity shares of Euro 69.494/- each fully paid up	4	5
vi Daewoo Automotive securities 5,861 (Previous year:5,861) Bonds of Euro 3.334 per bond	2	2
Investments (Net)	**649**	**749**
Aggregate amount of quoted investments	9	9
Market value of quoted investments	13	11
Long-term investments (Total)	649	749

[1] Includes freehold land amounting to ₹ 182 million (Previous Year: ₹ 182 million) rented out alongwith the buildings.

[2] Trade Investment represents investment made by the Company in shares or debentures of another Company, to promote the trade or business of the Company.

[3] Amount is below the rounding off norm adopted by the Company.

15 Deferred tax assets (Net)

	As At March 31, 2015	As At March 31, 2014
Deferred tax assets		
Depreciation	684	156
Provision for Employee benefits	348	41
Provision for Doubtful debts/Advances/Inventory	286	203
Income Received in advance [1]	284	-
Others	492	791
Deferred tax liabilities		
Depreciation	170	-
Others	15	7
Total	**1,909**	**1,184**

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

[1]This relates to deferred tax asset in respect of tooling advance received by MSSL Global RSA Module Engineering Limited.

16. Long term loans and advances

	As At March 31, 2015	As At March 31, 2014
Unsecured, considered good (unless otherwise stated):		
Capital advances [1]	4,898	2,644
Security deposits		
- Considered good	145	187
- Considered doubtful [2]	0	0
Less: Allowance for doubtful security deposits [2]	(0)	(0)
Security deposits to related parties	382	194
Loans and advances to related parties	27	235
Advances to be recoverable in cash or in kind for value to be received	14	11
Other loans and advances		
Prepaid expenses	153	184
Housing loan to employees	33	28
Balances with Government Authorities	40	83
Total	**5,692**	**3,566**

[1] Includes Nil (Previous year: ₹36 million) to related parties

[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)

17. Other Non Current Assets

Particulars	As At March 31, 2015	As At March 31, 2014
Unsecured, considered good :		
Long-term trade receivables (including trade receivables on deferred credit terms)	2,032	1,477
Long-term deposits with banks with maturity period for more than 12 months	60	141
Other receivables	333	291
Total	**2,425**	**1,909**

18. Current Investments

	As At March 31, 2015	As At March 31, 2014
At cost or market value,whichever is less		
Quoted, Non-trade:		
HDFC Bank Ltd. [1]	0	0
2,035 (Previous year : 2,035) equity shares of ₹ 2/- each fully paid up		
Balrampur Chini Mills Ltd [1]	0	0
1,200 (Previous year :1,200) equity shares of ₹ 1/- each fully paid up		
Jaysynth Dyechem Ltd [1]	0	0
100 (Previous year:100) equity shares of ₹ 10/- each fully paid up		
GIVO Ltd. [1]	0	0
28,475 (Previous year :28,475) equity shares of ₹ 10/- each fully paid up		
Mahindra & Mahindra Ltd [1]	0	0
3,644 (Previous year:3,644) equity shares of ₹ 5/- each fully paid up		
Arcotech Limited [1]	0	0
200 (Previous year 200) equity shares of ₹ 10/- each fully paid up		
Unquoted, Non-trade:		
Pearl Engineering Polymers Ltd	-	-
3,160 (Previous year : 3,160) equity shares of ₹ 10/- each fully paid up		
Daewoo Motors Limited	-	-
6,150 (Previous year : 6,150) equity shares of ₹ 10/- each fully paid up		
Electrolux Kelvinator India Limited	-	-
Nil (Previous year : 1,250) equity shares of ₹ 10/- each fully paid up		
Athena Financial Services Limited. (Formerly Kinetic Lease & Finance Limited)	-	-
66 (Previous year : 66) equity shares of ₹ 10/- each fully paid up		
Inox Leasing & Finance Limited	-	-
100 (Previous year : 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	5

[1] All the above amounts are below the rounding off norm adopted by the Company

Notes to the Consolidated financial statements

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

19 Inventories

	As At March 31, 2015	As At March 31, 2014
Raw Materials	11,534	11,395
Work-in-progress	18,927	15,273
Finished Goods	5,462	4,911
Stock-in-trade	933	376
Stores and spares	644	732
Loose tools	-	137
Total	**37,500**	**32,822**
Inventory include Inventory in transit of:		
Raw materials	1,044	895
Finished goods	436	286
Traded goods	-	4
Loose tools	-	137

Notes:

1. During the year, the Company has changed the cost formula used in valuation of Inventory from 'First in First out' to 'Weighted Average' to align the cost formula used across the group. Consequently, the Inventory balances for the year ended March 31, 2015 is higher by ₹ 8.1 million with consequential impact on the Profit for the year and Reserves and Surplus of the Company.
2. None of the individual items of inventories are more than 10% of total value of their respective categories, hence disclosure relating to details of inventory have not been given.

20 Trade Receivables

	As At March 31, 2015	As At March 31, 2014
- Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	210	165
Doubtful	374	421
	584	**586**
Less: Provision for doubtful receivables	374	421
	210	**165**
- Other receivables		
Unsecured, considered good [1]	29,934	32,219
Doubtful	210	104
	30,144	**32,323**
Less: Provision for doubtful receivables	210	104
	29,934	**32,219**
Total	**30,144**	**32,384**
[1] Includes receivables from companies in which Director of the Company is Director	10	**-**

Notes to the Consolidated financial statements

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

21 Cash and Bank Balances

	As At March 31, 2015	As At March 31, 2014
Cash and Cash Equivalents		
Balances with banks:		
- In current accounts	17,014	8,045
- Deposits with original maturity of less than three months	1,656	216
Cheques and drafts on hand	7	21
Cash on hand	21	23
	18,698	**8,305**
Other bank balances		
Deposits with original maturity for more than three months but less than twelve months	206	743
Unpaid dividend accounts	15	13
	221	**756**
Total	**18,919**	**9,061**

22 Short-Term Loans and Advances

	As At March 31, 2015	As At March 31, 2014
Unsecured, considered good ,unless otherwise stated:		
Security Deposit	207	43
Loans and Advances to related party [1]	462	320
Advances to be recoverable in cash or kind		
Considered good	3,463	3,421
Doubtful	2	18
	3,465	**3,439**
Less: Provision for doubtful advances	2	18
	3,463	**3,421**
Other loans and advances		
Advance income tax (net of provision) [2]	97	39
Prepaid expenses	500	183
Loans to employees	60	79
Balances with government authorities [3]	2,606	2,063
Interest receivable	43	14
	3,306	**2,378**
Total	**7,438**	**6,162**

[1] Includes advances to company in which Director of the Company is Director	4	-

[2] Advance income tax and provision for tax have been offset to the extent they relate to the same governing taxation laws.

[3] Net of provision for doubtful advances ₹ 214 million (Previous year ₹ 178 million) towards our share of the balances of cenvat recoverable in respect of Calsonic Kansei Motherson Auto Products Private Limited, which are accumulating in view of rates of taxes on purchase of input goods being higher than those recovered on the finished goods.

Notes to the Consolidated financial statements

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

23 Other Current Assets

	As At March 31, 2015	As At March 31, 2014
Unsecured, considered good (unless otherwise stated):		
Interest accrued on fixed deposits	6	3
Capital Subsidy Receivable	56	48
Receivable for mark to market gain on derivatives	34	55
Other Receivables	89	20
Total	**185**	**126**

24 Revenue from Operations(Net)

	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Sales of products		
Finished goods		
Within India	56,312	51,324
Outside India	292,311	256,268
Traded goods	2,213	1,682
Sales of services	522	461
Other operating revenue:		
Scrap sales	379	212
Job work income	49	27
	351,786	**309,974**
Less: Excise duty	5,934	5,695
Total	**345,852**	**304,279**
Details of Sales (Finished Goods):		
Wiring Harness	54,990	42,536
Plastic parts and Modules	192,157	172,133
Mirror systems	99,235	90,855
Others	2,241	2,068
Details of Sales (Traded Goods):		
Tools & Moulds	1,330	1,074
Others	883	608

25 Other Income

	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Interest Income	242	165
Dividend Income		
- From non-current investments	5	3
- From current investments [1]	0	0
Rent	171	171
Change in carrying amount of current investments	-	1
Profit on Sale of tangible assets (Net)	24	37
Export Incentives	68	32
Liabilities written back to the extent no longer required	158	396
Government Grants & Subsidies	344	590
Recovery from customers	879	1,066
Profit on sale of Investments [1]	-	0
Proceeds from insurance company [2]	1,592	-
Miscellaneous Income	1,160	645
Total	**4,643**	**3,106**

[1] Amounts are below the rounding off norm adopted by the company.

[2] Refer Note 29.

Notes to the Consolidated financial statements

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

26 Cost of Materials Consumed

	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Opening stock of raw materials	10,499	9,312
Opening stock of raw materials (on acquisition) [1]	1,454	-
Add : Purchases of raw materials	221,839	195,551
Less: Closing stock of raw materials	10,490	10,499
Add: Exchange adjustment:		
Exchange differences opening stock (gain)/loss	(601)	1,239
Exchange differences closing stock (loss)/gain	(846)	(46)
Total	**221,855**	**195,557**

[1] Refer Notes 50 & 52 for addition in opening stock of raw materials on acquisition .

27. Changes in inventory of finished goods, work in progress and stock in trade

	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
(Increase)/ decrease in stocks		
Stock at the opening of the year:		
Finished goods	4,910	3,795
Work-in-progress	15,273	10,723
Stock in trade	376	614
Total A	**20,559**	**15,132**
Add: Stock acquired on acquisition [1]		
Finished goods	827	-
Work-in-progress	621	-
Total B	**1,448**	**-**
Stock at the end of the year:		
Finished goods	5,462	4,910
Work-in-progress	18,927	15,273
Stock in trade	933	376
Total C	**25,322**	**20,559**
Exchange adjustment :		
Exchange differences opening stock (gain)/loss	(1,148)	2,125
Exchange differences closing stock (loss)/gain	(3,266)	266
Total D	**(4,414)**	**2,391**
(Increase)/ decrease in stocks (A+B-C+D)	**(7,729)**	**(3,036)**

[1] Refer Notes 50 & 52 for addition due to stock acquired on acquisition.

28 Employee Benefits Expense

	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Salary , Wages & Bonus	55,048	43,858
Contribution to Provident & Other Fund (Refer note 37)	6,642	5,595
Staff welfare expenses	1,962	1,611
Total	**63,652**	**51,064**

Notes to the Consolidated financial statements

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

29 Other Expenses

	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Electricity, Water and Fuel	6,152	5,945
Repairs and Maintenance		
Machinery	3,606	3,178
Building	939	1,002
Others	767	749
Consumption of Stores and Spare Parts	1,916	1,758
Conversion Charges	322	390
Excise Duty expenses [1]	24	4
Lease rent (operating leases) (Refer note 40)	3,768	3,168
Rates & taxes	772	697
Insurance	504	348
Net loss on foreign currency transaction	114	1,881
Donation	45	27
Travelling	1,730	1,588
Freight & forwarding	4,124	3,701
Royalty	353	308
Cash Discount	124	135
Commission	34	18
Provision for Diminution in value of investments (Net) [2]	0	-
Bad Debts/Advances written off	37	66
Provision for Doubtful Debts/Advances [3]	173	111
Legal & Professional expenses (Refer Note 35)	3,358	2,962
Expenditure towards corporate social responsibility (CSR) activities	1	-
Business interruption cost [4]	1,181	-
Miscellaneous expenses	8,281	7,594
Total	**38,325**	**35,630**

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

[2] Amount is below the rounding off norm adopted by the Company.

[3] Provision for doubtful advances includes ₹ 36 million (Previous year ₹ 63 million) towards our share of the balances of cenvat recoverable in respect of Calsonic Kansei Motherson Auto Products Private Limited, which are accumulating in view of rates of taxes on purchase of input goods being higher than those recovered on the finished goods.

[4] Incremental costs incurred on account of fire in the previous year at SMP Automotive Technology Iberica S.L. plant at Barcelona, Spain, which have been recovered from the insurance company and disclosed under Other Income in Note 25.

30. Finance Cost

	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Interest on long term borrowings	2,027	1,756
Interest on shortfall of advance tax	9	14
Other borrowing costs	652	655
Loan prepayment charges [1]	124	-
Commitment charges on borrowings	-	236
Others	366	282
Total	**3,178**	**2,943**

[1] Represent costs incurred towards breakdown and prepayment fees amounting to ₹ 124 million (Euro 1.6 million) for prepayment of loans during the current year.

Notes to the Consolidated financial statements

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

31 Depreciation and Amortization Expense

	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Depreciation on Tangible assets [1a & 1b]	8,886	7,842
Amortization on Intangible assets [2]	312	293
Depreciation on Investment Property	18	46
Less Capitalised during the year [3]	(10)	(9)
Total	**9,206**	**8,172**

[1a] Depreciation on assets used for creation of self generated assets. (Refer Note. 13)

[1b] The Company has during the year made an internal technical assessment of the useful lives of tangible assets and revised the useful lives of the following assets w.e.f. April 1, 2014 as the Company believes that these best represent the period over which management expects to use these assets:

Asset	Estimated useful life prior to revision	Revised estimated useful life
Building (Residence)	61 years	30 years
Plant and Machinery	9.67 years	7.5 years
Office Equipment	6 years	5 years

The technical assessment has also resulted in the estimated useful lives of the following assets to be unchanged from the past year although they are different from the useful lives as prescribed under Part C of the schedule II of the Companies Act, 2013:

Asset	Estimated useful life
Die & Moulds	6.17 years.
Furniture & Fixtures	6 years.
Computers- Servers & Networks	3 years.
Vehicles	4 years.

Pursuant to the above, unamortised depreciable amount of such assets at the beginning of the year are depreciated over their respective remaining revised estimated useful lives. Consequently, the depreciation on tangible fixed assets for the year is higher by ₹ 524 million with consequential impact on the Profit for the year, net tangible assets and Reserves and Surplus of the Company. Further, in case of tangible assets where the useful life is completed by March 31, 2014, based on the revised estimated useful lives, the Company has adjusted the net residual value as at April 1, 2014 aggregating to ₹ 89 million to the accumulated depreciation and ₹ 60 million (net of tax impact of ₹ 29 million) to the opening retained earnings.

[2] Amortisation included 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 recognized an impairment loss amounting to ₹ 3 million (previous year Nil).

[3] Includes depreciation of ₹ 10 million (previous year ₹ 9 million) capitalized during the year on assets used for creation of self generated assets.

32 Exceptional items (gains)/ losses

	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Expenses incurred in relation to issue of 4⅛% Senior secured notes	1,248	-
Acquisition cost in respect of wiring harness business from Stoneridge Inc.	400	-
Total [1]	**1,648**	**-**
[1] Exceptional items are in the nature of following expenses:		
Legal & Professional expenses	1,328	-
Commitment charges on borrowings	121	-
Salary, Wages & Bonus	56	-
Miscellaneous expenses	143	-

Notes to the Consolidated financial statements

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

33. Contingent Liabilities

	Particulars	As at March 31, 2015	As at March 31, 2014
	Claims against the Company not acknowledged as debts #		
a)	Excise Matters #	64	48
b)	Customs Demand Matters #	75	-
c)	Sales Tax Matters #	103	114
d)	Service Tax Matters	46	42
e)	Stamp Duty	5	5
f)	Claims made by workmen	22	18
g)	Income Tax Matters	135	88
h)	Unfulfilled export commitment under EPCG Scheme	106	-
i)	Others	4	0*

Against which Company has given bank guarantees amounting to ₹ 64 million (Previous Year ₹ 35 million)

* Amount below rounding off norms adopted by the Company

(a) The Company does not expect any reimbursements in respect of the above contingent liabilities.

(b) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

34. Capital and Other Commitments

	Particulars	As at March 31, 2015	As at March 31, 2014
(a)	**Capital Commitments**		
	Estimated value of contracts in capital account remaining to be executed, (Net of Advances of ₹ 4,898 million (Previous year ₹ 2,644 million))	3,990	3,860
	Total	**3,990**	**3,860**
(b)	**Other Commitments**		
	Bank Guarantee	33	0*
	Others	20	0*

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

35. Payment to Group's Auditors:

Particulars	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
As Auditor:		
Audit fees (including limited review)	43	52
Other Services	1	2
Reimbursement of expenses	7	6
Total	**51**	**60**

36. Derivative instruments and unhedged foreign currency / commodity exposure

a. Derivatives outstanding as at the reporting date

Particulars / Purpose	Currency	As at March 31, 2015	As at March 31, 2014
Hedge of external commercial borrowings and long term loans (Buy)	USD : INR	USD 3 ; ₹ 163	USD 5 ; ₹ 322
	EUR : USD	-	USD 16 ; ₹ 929
Forward Contract (Buy)	EUR : USD	USD 3 ; ₹156	-
	HUF : EUR	HUF 7,588 ; ₹ 1,686	-
	EUR : INR	EUR 8 ; ₹ 512	-

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

Particulars / Purpose	Currency	As at March 31, 2015	As at March 31, 2014
Forward Contract (Sell)	EUR : INR	EUR 2 ; ₹ 147	-
	USD : EUR	USD 2 ; ₹ 155	-
	HUF : EUR	HUF 7,603 ; ₹ 1,613	-
Trade Payable (Buy)	JPY : INR	-	JPY 1 ; ₹ 1
Trade Receivable (Sell)	EUR : INR	-	EUR 3 ; ₹ 283

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

Currency	As at March 31, 2015 Payable / (Receivable)	As at March 31, 2014 Payable / (Receivable)
AED	3	1
AUD	(2)	(1)
CNY	(82)	(1)
CZK*	(0)	-
CHF*	0	(0)
DKK*	(0)	1
EUR	(42)	21
GBP	(4)	(4)
HUF	274	1,423
INR	(172)	25
JPY	1,036	900
KRW	49	2
MXN	(24)	22
SGD*	0	(0)
THB	9	16
USD	(10)	368
ZAR*	(0)	(6)

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

c. Mark to market losses / (gain) on foreign currency:

Particulars	As at March 31, 2015	As at March 31, 2014
Mark to Market losses/(Gain) provided for	(124)	(55)

d. Commodity hedging:

Particulars	As at March 31, 2015		As at March 31, 2014	
	Quantity	Amount	Quantity	Amount
Copper (buy)	LB770,000	USD 0.2 ; ₹ 13	-	-
	MT192	USD1.2 ; ₹ 77	-	-

e. Mark to market losses / (gain) on commodity hedging:

Particulars	As at March 31, 2015	As at March 31, 2014
Mark to Market losses/(Gain) provided for	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	Year ended March 31, 2015	Year ended March 31, 2014
Obligations at year beginning	**2,798**	**2,416**
Service Cost - Current	277	57
Interest Cost	119	103
Actuarial (gain) / loss	480	(20)
Benefit Paid	(140)	(67)
Effect of Exchange rate change	(295)	73
Addition due to transfer of employee*	0	236
Obligations at year end	**3,239**	**2,798**

(ii) Fair Value of Plan Assets

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Plan assets at year beginning, at fair value	**2,002**	**1,555**
Expected return on plan assets	113	74
Actuarial gain / (loss)	(144)	(46)
Contributions	307	240
Benefits paid	(110)	(50)
Effect of Exchange rate change	(104)	229
Addition due to transfer of employee*	-	0
Plan assets at year end, at fair value	**2,064**	**2,002**

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

(iii) Assets and Liabilities recognized in the Balance Sheet

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Present Value of the defined benefit obligations	3,239	2,798
Fair value of the plan assets	2,064	2,002
Amount not recognized because of limitation of assets*	0	312
Amount recognized as Liability	**1,175**	**1,108**
Recognized Under		
Long Term Provision (Refer Note No 8)	1,046	1,034
Short Term Provision (Refer Note No 12)	129	74

(iv) Defined benefit obligations cost for the year:

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Service Cost - Current	277	57
Interest Cost	119	103
Expected return on plan assets	(113)	(74)
Actuarial (gain) / loss	624	26
Net defined benefit obligations cost	**907**	**112**

(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	Year ended March 31, 2015	Year ended March 31, 2014
LIC	522	402
Equities	-	221
Bonds, Gilts and Others	1,502	1,369
Cash	40	10
Total	**2,064**	**2,002**

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

(vi) Actuarial assumptions:

Particulars	2015		2014	
	Indian	Foreign	Indian	Foreign
Discount Rate per annum	7.75%-8.0%	1.65%-9.07%	8.5%-9.7%	1.65%-12.0%
Future salary increases	5.25%-8.0%	2.5%-7.5%	6.0%-8.0%	2.5%-15.0%
Expected return on plan asset	8.0%-8.85%	3.5%-15.0%	8.0%-9.0%	3.5%-15.0%

(vii) Amount recognized in current year and previous four years:

Particulars	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
Defined benefit obligations	3,239	2,798	2,416	2,052	1,404
Plan assets	(2,064)	(2,002)	(1,555)	(1,374)	(1,109)
Deficit /(Surplus)	**1,175**	**796**	**861**	**678**	**295**

(viii) Expected Contribution to the Fund in the next yea

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Gratuity	294	329

* Amount is below the rounding of norm adopted by the company.

(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	Year ended March 31, 2015	Year ended March 31, 2014
Obligations at year beginning	**214**	**165**
Service Cost - Current	63	59
Interest Cost	13	14
Actuarial (gain) / loss	31	(7)
Benefit Paid	(54)	(17)
Effect of Exchange rate change	9	-
Obligations at year end	**276**	**214**

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

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Present Value of the defined benefit obligations	276	214
Fair value of the plan assets	-	-
Amount recognized as Liability	**276**	**214**
Recognized Under		
Long Term Provision (Refer Note No 8)	260	172
Short Term Provision	16	42

(iii) Defined benefit obligations cost for the year:

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Service Cost - Current	63	59
Interest Cost	13	14
Expected return on plan assets	-	-
Actuarial (gain) / loss	31	(7)
Net defined benefit obligations cost	**107**	**66**

(iv) Actuarial assumptions:

Particulars	2015		2014	
	Indian	Foreign	Indian	Foreign
Discount Rate	7.75%-7.9%	0.22%-9.07%	8.5%-9.7%	1.32%-12.0%
Future salary increases	5.25%-8.0%	2.0%-7.5%	6.0%-8.0%	2.0%-15.0%

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

Particulars	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
Defined benefit obligations	289	214	165	105	65
Plan assets	-	-	-	-	-
Deficit /(Surplus)	**289**	**214**	**165**	**105**	**65**

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 ₹ 5,628 million (Previous Year: ₹ 5,531 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.

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.

Notes to the Consolidated financial statements

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

Non-Automotive	Wiring Harness, Plastic Components for white goods, Household Wires, Plates, Aerobin, Re-Timer light device.

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

a) Information about Primary Business Segment.

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	338,827	301,083	11,219	5,927	207	210	350,253	307,220
Intersegment	-	-	-	-	-	-	-	-
Total revenue *	**338,827**	**301,083**	**11,219**	**5,927**	**207**	**210**	**350,253**	**307,220**
Results								
Segment result	22,202	19,785	512	652	-	-	22,714	20,437
Interest expense (net of Interest income)					2,936	2,778	2,936	2,778
Other Unallocable (net of Income)					1,607	1,697	1,607	1,697
Profit before taxation							18,171	15,962
Provision for taxation					5,256	4,994	5,256	4,994
Profit of Associate					4	(2)	4	(2)
Net profit after tax							12,919	10,966
- Concern Share							8,625	7,650
- Minority Share							4,294	3,316
Other items								
Segment assets	167,973	147,950	6,821	3,383	819	2,194	175,613	153,527
Segment liabilities	75,150	61,765	1,602	723	55,576	53,646	132,328	116,134
Capital expenditure	18,158	12,399	148	52	53	135	18,359	12,586
Depreciation & Impairment	8,933	8,014	240	158	33	-	9,206	8,172
Non-cash expenditure other than depreciation and impairment mentioned above	179	174	30	3	0#	0#	209	177

* Excluding Interest Income.

Amount is below the rounding off norm adopted by the Company

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	53,580	39,085	296,466	267,925	207	210	350,253	307,220
Inter segment								
Total	**53,580**	**39,085**	**296,466**	**267,925**	**207**	**210**	**350,253**	**307,220**
Carrying amount of segment assets	34,057	31,080	140,737	120,253	819	2,194	175,613	153,527
Addition to fixed assets	2,176	2,280	16,130	10,306	53	-	18,359	12,586

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 Limited
2. Woco Motherson Elastomer Limited
3. Woco Motherson Advanced Rubber Technologies Limited
4. Woco Motherson Limited (FZC) (Indirectly through Subsidiary)
5. Calsonic Kansei Motherson Auto Products Private Limited (converted in to Pvt. Ltd. Co. w.e.f. 31.03.2015)
6. Ningbo SMR Huaxiang Automotive Mirrors Co. Limited (Indirectly through Subsidiary)
7. Chongqing SMR Huaxiang Automotive Products Limited (Indirectly through Subsidiary)
8. Celulosa Fabril (Cefa) S.A. (Zaragoza, ES) (Indirectly through Subsidiary)
9. Modulos Rivera Alta S.L.U. (Indirectly through Subsidiary)
10. Samvardhana Motherson Nippisun Technology Ltd (SMNTL)
11. Eissmann SMP Automotive interieur Slovakia s.r.o. (Indirectly through Subsidiary)

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.)
5. Mr. Arjun Puri
6. Mr. Pankaj Mital
7. Mr. S C Tripathi, IAS (Retd.)
8. Mr. Gautam Mukherjee
9. Ms. Geeta Mathur
10. Ms. Noriyo Nakamura

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 (converted in to Pvt. Ltd. Co. w.e.f. 31.03.2015)
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 (converted in to Pvt. Ltd. Co. w.e.f. 31.03.2015)
24. Field Motor Private Limited (converted in to Pvt. Ltd. Co. w.e.f. 11.03.2015)
25. AES (India) Engineering Limited
26. Motherson Auto Engineering Service Ltd
27. Anest Iwata Motherson Coating Equipment Limited
28. Nissin Advanced Coating Indo Co. Limited.
29. Magnetti Marelli Motherson Holding India BV
30. Magnetti Marelli Motherson Auto System Limited
31. Samvardhana Motherson Finance Services Cyprus Limited
32. Samvardhana Motherson Refrigeration Product Limited (earlier known as Motherson Zanotti Refrigeration System Limited name change w.e.f 11.08.2014)
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. Fritzmeier Motherson Cabin Engineering Private Limited. converted in to Pvt. Ltd. Co. w.e.f. 31.03.2015)
39. Air Factory Energy Limited
40. CTM India Limited.
41. MSID U.S. Inc
42. Motherson Consultancies Service Limited (earlier known as Motherson Climate System Ltd.)
43. Spirited Auto Cars (I) Limited
44. Motherson Lease Solution Limited
45. Systematic Conscom Limited

46. MAS Middle East Ltd. (FZE)
47. Nachi Motherson Precision Ltd.
48. Motherson Bergstrom HVAC Solutions Private Limited
49. Motherson Sintermetal Technology Limited
50. Advanced Technologies and Auto Resources Pte. Ltd.
51. Edcol Global Pte. Limited
52. Motherson Innovative Technologies and Research
53. Radha Rani Holdings Pte Ltd
54. Shri Sehgals Trustee Company Private Limited
55. Nirvana Niche Products Private Limited (earlier known as Nirvana Agro Products Private Limited name change w.e.f 11.11.2014)
56. Nirvana Foods GmbH (w.e.f. 16.04.2014)
57. Magneti Marelli Motherson Shock Absorbers India Private Limited (w.e.f. 01.08.2014)
58. Samvardhana Motherson Auto System Private Limited (name changed w.e.f. 19.12.2014, earlier known as Samvardhana Motherson Trading Private Limited (incorporated on 17.11.2014)
59. Samvardhana Motherson Auto Component Private Limited (incorporated on 23.12.2014)

e. **Joint Venturer:**

1. Sumitomo Wiring Systems Limited, Japan
2. Kyungshin Corporation, Korea
3. Woco Franz Josef Wolf Holding GmbH, Germany
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

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	
		Current Year	Previous year	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year
1	Sale of Products	1,848	2,142	194	182	553	565	-	-
2	Sales of Services	362	258	30	31	0#	-	-	-
3	Rent Income	45	36	39	29	-	-	-	-
4	Sale of Fixed Assets	-	-	0#	2	-	-	-	-
5	Purchase of Goods	57	37	1,239	1,110	2,695	2,398	-	-
6	Purchase of Fixed Assets	26	-	692	640	77	138	-	-
7	Purchase of Services	5	0#	1,435	1,375	25	26	2	1
8	Rent Expense	-	-	420	198	-	-	4*	4*
9	Reimbursement Made	0#	0#	69	51	0#	0#	-	-

(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	
		Current Year	Previous year	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year
10	Reimbursement Received	7	2	25	1	0#	-	-	-
11	Investments Redeemed/ Sale of Shares	-	-	4	-	-	-	-	-
12	Royalty	-	-	0#	-	356	296	-	-
13	Remuneration/Sitting Fees of Directors and Key Management Personnel	-	-	-	-	-	-	42	34
14	Interest Income	3	1	11	11	-	-	-	-
15	Interest Expense	-	-	20	29	-	-	-	-
16	Dividend Paid	-	-	823	426	665	405	67**	45**
17	Dividend Received	215	215	5	3	-	-	-	-
18	Capital Received from Minority		-	-	-		97		
19	Loans Received during the year	-	-	2	567	-	-	-	-
20	Loans Given during the year	85	25	12	427	-	-	-	-
21	Loans Repaid during the year	-	-	475	10	-	-	-	-
22	Loans Received back during the year	25	-	100	427	-	-	-	-
23	Security Deposits Received	1	1	-	0#	-	-	-	-
24	Security Deposits Received back	-	-	37	34	-	-	-	-
25	Security Deposits Repaid	-	-	5	7	-	-	-	-
26	Security Deposit given	-	-	225	122	-	-	-	-
	Balances as at year end								
27	Investments	-	-	62	66	-	-	-	-
28	Loans & Advances	89	29	400	559	-	3	-	-
29	Borrowing	-	-	105	580	20	20	-	-
30	Interest Payable	-	-	-	18	-	-	-	-
31	Interest Receivable	-	-	-	2	-	-	-	
32	Security Deposit Received	42	41	27	32	-	-	-	-
33	Security Deposits	-	-	382	194	-	-	-	-
34	Trade Payable	4	8	367	476	394	336	-	-
35	Trade Receivable	269	296	29	87	54	44	-	-
36	Advances from customer	0#	0#	0#	0#	-	1	-	-

* Rent of ₹ 4 million (Previous Year ₹ 4 million) paid to Mr. V.C Sehgal, Mr. Laksh Vaaman Sehgal, Ms. Renu Sehgal, and Ms. Vidhi Sehgal.

** Dividend of ₹ 67 million (Previous Year ₹ 45 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.

Notes to the Consolidated financial statements

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

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

Sl No	Particulars	Name of Related Party	2014-15	2013-14
1	Sale of Products	Kyungshin Industrial Motherson Limited	1,695	1,859
		Sumitomo Wiring Systems Limited, Japan	550	556
2	Sale of Services	Kyungshin Industrial Motherson Limited	288	247
		Ningbo SMR Huaxiang Automotive Mirrors Co. Limited.	64	-
3	Rent Income	Woco Motherson Elastomer Limited	12	11
		Calsonic Kansei Motherson Auto Products Private Limited	28	19
		Motherson Moulds and Diecasting Limited	9	9
		Magneti Marelli Motherson Auto System Limited	9	8
		Motherson Sintermetal Technology Limited.	12	-
4	Sale of Fixed Assets	Motherson Sumi Infotech and Designs Limited.	0#	-
5	Purchase of Goods	Kyungshin Industrial Co., Korea	1,823	1,607
		Sumitomo Wiring Systems Limited, Japan	828	739
		Edcol Global Pte. Limited	567	404
		CTM India Limited.	418	294
6	Purchase of Fixed Assets	Systematic Conscom Limited	588	508
7	Purchase of Services	Saks Ancillaries Limited	168	150
		Motherson Auto Limited	192	197
		Motherson Air Travel Agencies Limited	248	204
		Motherson Sumi Infotech and Designs Limited	496	517
8	Rent Expense	Motherson Auto Limited	148	125
		Motherson Lease Solution Ltd (formerly Style Motors Ltd)	224	47
9	Reimbursement Made	A Basic Concepts Design Pty Limited	44	0#
		MAS Middle East Ltd (FZE)	9	9
10	Reimbursement Received	Samvardhana Motherson Nippisun Technology Limited	6	2
		Motherson Auto Limited	21	0#
11	Royalty & Technical Fee	Sumitomo Wiring Systems Limited, Japan	258	250
		Kyungshin Industrial Co., Korea	69	36
12	Investment Redeemed/ Sales of Shares	Re-time Pty Limited	4	-
13	Remuneration/Sitting Fees of Directors and Key Management Personnel	Mr. Pankaj Mital	12	11
		Mr. Sanjay Mehta	7	6
		Mr. G. N. Gauba	11	10
14	Interest Income	Motherson Auto Limited	11	10
		Samvardhana Motherson Nippisun Technology Limited	3	1
15	Interest Expense	Samvardhana Motherson International Limited	20	19
16	Dividend Paid (in respect of dividend declared for year 13 -14 [PY: 12-13])	Samvardhana Motherson International Limited	814	425
		Sumitomo Wiring Systems Limited, Japan	558	297
17	Dividend Received	Kyungshin Industrial Motherson Limited	215	215
18	Loan Received during the year	Samvardhana Motherson International Limited	-	560
		Samvardhana Motherson Holding (M) Pvt. Ltd.	2	-
19	Loans given during the year	Samvardhana Motherson Nippisun Technology Limited	25	25
		Ningbo SMR Huaxiang Automotive Mirrors Co. Limited	43	-
		Celulos Fabril S.A.	17	-
		Motherson Auto Limited	12	-
20	Loans Repaid during the year	Samvardhana Motherson International Limited	477	-
21	Loans Received back during the year	Motherson Auto Limited	100	-
		Samvardhana Motherson Nippisun Technology Limited	25	
22	Security Deposits Given	Motherson Auto Limited	63	32
		Motherson Lease Solution Ltd (formerly Style Motors Ltd)	116	91
23	Security Deposits Received Back	Motherson Auto Limited	33	34
		Motherson Lease Solution Limited (formerly style Motors Ltd)	4	-
24	Security Deposits Repaid	CTM India Limited	5	-

Notes to the Consolidated financial statements

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

Sl No	Particulars	Name of Related Party	2014-15	2013-14
	Balances as at year end			
25	Borrowings	Samvardhana Motherson International Limited Samvardhana Motherson Holding (M) Pvt. Ltd. Calsonic Kansei Corporation, Japan	83 22 20	560 20 -
26	Interest Payable	Samvardhana Motherson International Limited	-	18
27	Loans and Advances	Motherson Auto Limited CTM India Limited. Samvardhana Motherson Nippisun Technology Limited Ningbo SMR Huaxiang Automotive Mirrors Co. Limited Celulos Fabril S.A.	132 218 25 43 17	220 153 25 - -
28	Security Deposit Received	Kyungshin Industrial Motherson Limited CTM India Limited	30 18	30 23
29	Security Deposits	Motherson Auto Limited Motherson Lease Solution Ltd (formerly Style Motors Ltd)	166 216	103 89
30	Trade Payable	Sumitomo Wiring Systems Limited, Japan MothersonSumi Infotech and Designs Limited Kyungshin Industrial Co., Korea	199 94 156	133 203 172
31	Trade Receivable	Kyungshin Industrial Motherson Limited Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd. Sumitomo Wiring Systems Limited, Japan	209 46 54	270 7 42
32	Advance from Customers	Anest Iwata Motherson Private Limited. Calsonic Kansei Corporation, Japan	0# 0#	- 50

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, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Not later than one year	583	741	534	639
Later than 1 year and not later than 5 years	729	1,684	685	1,554
Later than 5 years	89	136	80	120
Total	**1,401**	**2,561**	**1,299**	**2,313**
Less: Finance Charges	102	248		
Present value of minimum lease payment	**1,299**	**2,313**		
Disclosed under:				
Other long term borrowings (Refer Note 5)	765	1,674		
Other Current Liabilities (Refer Note 11)	534	639		

(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.

Notes to the Consolidated financial statements

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

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
With respect to all operating leases;		
Lease payments recognized in the Statement of Profit and Loss during the year	3,768	3,168
Sub-lease payments received / receivable recognized in the Statement of Profit and Loss during the year	171	171

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	Year ended March 31, 2015	Year ended March 31, 2014
Payable not later than 1 year	716	1,087
Payable later than 1 year and not later than 5 years	1,591	2,178
Payable later than 5 years	583	996

41. Earnings per share

	Particulars	Year ended March 31, 2015	Year ended March 31, 2014
a)	**Basic EPS**		
	Net profit after tax available for equity Shareholders (₹ in million) - **(A)**	8,625	7,650
	Weighted Average number of shares outstanding**- (B)**	881,919,360	881,919,360
	Basic Earnings (in ₹) Per Share of ₹ 1/- each. (Previous Year ₹ 1/- each) **(A/B)**	9.78	8.67
b)	**Diluted EPS**		
	Net profit after tax available for equity Shareholders (₹ in million) - **(A)**	8,625	7,650
	Weighted Average number of shares outstanding for diluted EPS* **(B)**	881,919,360	881,919,360
	Diluted Earnings (in ₹) Per Share of ₹ 1/- each. (Previous Year ₹ 1/- each) **(A/B)**	9.78	8.67

* 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.

42. Disclosure relating to entities considered in the consolidated financial statements:

A. Details of subsidiaries which have been considered in these consolidated accounts are as follows:

Name of the Company	Country of Incorporation	% voting power held as at		Reporting Dates used for Consolidation
		March 31, 2015	March 31, 2014	
MSSL Mauritius Holdings Limited	Mauritius	100%	100%	March 31,2015
MSSL Mideast (FZE)	UAE	100%	100%	March 31,2015
Motherson Electrical Wires Lanka Private Limited	Sri Lanka	100%	100%	March 31,2015
MSSL Handels GmbH (Liquidated on 23.07.2014)	Austria	-	100%	-
MSSL (S) Pte Limited	Singapore	100%	100%	March 31,2015
MSSL (GB) Limited (held by MSSL Mideast (FZE))	UK	100%	100%	March 31,2015
Motherson Wiring System (FZE) (held by MSSL Mideast (FZE))	UAE	100%	100%	March 31,2015

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, 2015	March 31, 2014	
MSSL Tooling (FZE) (held by MSSL Mideast (FZE))	UAE	100%	100%	March 31,2015
MSSL Ireland Private Limited (held by MSSL Mauritius Holdings Limited)	Ireland	100%	100%	March 31,2015
MSSL GmbH (held by MSSL Mideast (FZE))	Germany	100%	100%	March 31,2015
Samvardhana Motherson Invest Deutschland GmbH (held by MSSL GmbH)	Germany	100%	100%	March 31,2015
MSSL Advanced Polymers s.r.o. (held by MSSL GmbH)	Czech Republic	100%	100%	March 31,2015
Motherson Orca Precision Technology GmbH (held by MSSL GmbH)	Germany	95.10%	95.10%	March 31,2015
MSSL s.r.l. Unipersonale (held by MSSL GmbH)	Italy	100%	100%	March 31,2015
Motherson Techno Precision México, S.A. de C.V (held by MSSL GmbH)	Mexico	100%	100%	March 31,2015
Samvardhana Motherson Polymers Management Germany GMBH (held by MSSL GmbH)	Germany	100%	-	March 31,2015
Samvardhana Motherson Plastic Solutions GMBH & Co KG (held by MSSL GmbH)	Germany	100%	-	March 31,2015
Global Environment Management (FZC) (held by MSSL Mauritius Holdings Limited)	UAE	78.82%	78.82%	March 31,2015
Global Environment Management Australia Pty Limited (held by Global Environment Management (FZC))	Australia	100%	100%	March 31,2015
MSSL Australia Pty Limited (held by MSSL (S) Pte. Limited)	Australia	80%	80%	March 31,2015
Motherson Elastomers Pty Limited (held by MSSL Australia Pty Limited)	Australia	100%	100%	March 31,2015
Motherson Investments Pty Limited (held by MSSL Australia Pty Limited)	Australia	100%	100%	March 31,2015
MSSL Global RSA Module Engineering Limited (held by MSSL Mauritius Holdings Limited)	South Africa	100%	100%	March 31,2015
Samvardhana Motherson Global Holdings Ltd. (SMGHL) (held by MSSL Mauritius Holdings Limited)	Cyprus	51%	51%	March 31,2015
MSSL Japan Limited (held by MSSL (S) Pte Limited)	Japan	100%	100%	March 31,2015
MSSL México, S.A. De C.V. (held by MSSL (S) Pte Limited)	Mexico	100%	100%	March 31,2015
Vacuform 2000 (Proprietary) Limited (held by MSSL Mauritius Holdings Limited)	South Africa	51%	51%	March 31,2015
MSSL WH System (Thailand) Co., Ltd (held by MSSL (S) Pte. Ltd.)	Thailand	100%	100%	March 31,2015
MSSL Korea WH Limited (held by MSSL (S) Pte. Ltd.)	Korea	100%	100%	March 31,2015
MSSL Automobile Component Ltd	India	100%	100%	March 31,2015
Samvardhana Motherson Polymers Limited (SMPL)	India	51%	51%	March 31,2015

Name of the Company	Country of Incorporation	% voting power held as at		Reporting Dates used for Consolidation
		March 31, 2015	March 31, 2014	
MSSL Consolidated Inc. (held by MSSL (GB) Ltd.)	USA	100%	-	March 31,2015
MSSL Overseas Wiring System Ltd. (held by MSSL Consolidated Inc.)	UK	100%	-	March 31,2015
MSSL Wiring System Inc (held by MSSL Overseas Wiring System Ltd)	USA	100%	-	March 31,2015
Alphabet de Mexico, S.A. de C.V. (held by MSSL (GB) Ltd.)	Mexico	100%	-	March 31,2015
Alphabet de Mexico de Monclova, S.A. de C.V. (held by MSSL (GB) Ltd.)	Mexico	100%	-	March 31,2015
Alphabet de Saltillo, S.A. de C.V. (held by MSSL (GB) Ltd.)	Mexico	100%	-	March 31,2015
MSSL Wirings Juarez, S.A. de C.V. (held by MSSL (GB) Ltd.)	Mexico	100%	-	March 31,2015
Samvardhana Motherson Automotive Systems Group B.V. (SMRP BV) (formerly known as Samvardhana Motherson B.V.) (held by SMGHL and SMPL)	Netherlands	100%	100%	March 31,2015
Samvardhana Motherson Peguform GmbH (held by SMRP BV)	Germany	100%	100%	March 31,2015
SMP Deutschland GmbH (held by Samvardhana Motherson Peguform GmbH and SMGHL)	Germany	100%	83.72%	March 31,2015
SMP Automotive Technology Iberica S.L. (by SMRP BV)	Spain	100%	83.72%	March 31,2015
SMP Automotive Technology Management Services (Changchun) Co. Ltd. (held by SMP Deutschland GmbH)	China	100%	100%	March 31,2015
SMP Automotive Technologies Teruel Sociedad Limitada (held by SMP Automotive Technology Iberica S.L.)	Spain	100%	100%	March 31,2015
SMP Automotive Systems Mexico S.A. de C.V. (held by SMP Automotive Technology Iberica S.L.)	Mexico	100%-1share	100%-1share	March 31,2015
Samvardhana Motherson Peguform Barcelona S.L.U (held by SMP Automotive Technology Iberica S.L.)	Spain	100%	100%	March 31,2015
SMP Logistik Service GmbH (formerly known as SMP Automotive Solutions Personalleasings GmbH) (held by SMP Deutschland GmbH)	Germany	100%	100%	March 31,2015
Samvardhana Motherson Peguform Automotive Technology Portugal S.A. (held by SMP Automotive Technology Iberica S.L.)	Portugal	100%	100%	March 31,2015
SMP Automotive Solutions Slovakia s.r.o (held by SMP Deutschland GmbH)	Slovakia	100%	100%	March 31,2015
Changchun Peguform Automotive Plastics Technology Co., Ltd.(held by SMP Deutschland GmbH)	China	50% +1share	50% +1share	March 31,2015

(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, 2015	March 31, 2014	
SMP Tecnologia Parachoques S.A. de C.V. (till 01.04.2014 - merged with SMP Automotive Systems Mexico S.A. de C.V.)	Mexico	-	100%-1share	-
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	-	100%-1share	-
SMP Automotive Produtos Automotivos do Brasil Ltda. (held by SMP Automotive Technology Iberica S.L.)	Brazil	100%-1share	100%-1share	March 31,2015
Foshan Peguform Automotive Plastics Technology Co. Ltd. (held by Changchun Peguform Automotive Plastics Technology Co., Ltd.)	China	100%	100%	March 31,2015
SMP Exterior Automotive GmbH (held by Samvardhana Motherson Peguform GmbH)	Germany	100%	100%	March 31,2015
SMP Automotive Interiors (Beijing) Co. Ltd (held by SMRP BV)	China	100%	100%	March 31,2015
Samvardhana Motherson Reflectec Group Holdings Limited (SMR) (held by Samvardhana Motherson Automotive Systems Group B.V.)	Jersey	98.45%	93.63%	March 31,2015
SMIA BV & Co. KG (held by Samvardhana Motherson Peguform GmbH)	Germany	100%	-	March 31,2015
SMR Automotive Holding Hong Kong Limited (held by SMR)	Hong Kong	100%	100%	March 31,2015
SMR Automotive Technology Holding Cyprus Limited (held by SMR)	Cyprus	100%	100%	March 31,2015
SMR Automotive Mirror Systems Holding Deutschland GmbH (held by SMR)	Germany	100%	100%	March 31,2015
SMR Automotive Mirrors Stuttgart GmbH (held by SMR)	Germany	100%	100%	March 31,2015
SMR Poong Jeong Automotive Mirrors Korea Ltd. (held by SMR)	South Korea	89.86%	89.86%	March 31,2015
SMR Hyosang Automotive Ltd. (held by SMR)	South Korea	89.86%	89.86%	March 31,2015
SMR Holding Australia Pty Ltd. (held by SMR)	Australia	100%	100%	March 31,2015
SMR Automotive Australia Pty Limited (held by SMR)	Australia	100%	100%	March 31,2015
SMR Automotive Mirror Technology Hungary BT (held by SMR)	Hungary	100%	100%	March 31,2015
SMR Grundbesitz GmbH & Co. KG (held by SMR)	Germany	93.07%	93.07%	March 31,2015
SMR Automotive (Langfang) Co. Ltd (held by SMR,Korea)	China	89.86%	89.86%	March 31,2015
SMR Automotive Mirror Parts and Holdings UK Ltd (held by SMR)	UK	100%	100%	March 31,2015
SMR Automotive Services Portchester Ltd (held by SMR) (till – dissolved)	UK	-	100%	
SMR Automotive Mirrors UK Limited (held by SMR)	UK	100%	100%	March 31,2015
SMR Automotive Technology Valencia S.A.U. (held by SMR)	Spain	100%	100%	March 31,2015

Name of the Company	Country of Incorporation	% voting power held as at		Reporting Dates used for Consolidation
		March 31, 2015	March 31, 2014	
SMR Automotive Mirror Services UK Ltd. (held by SMR)	UK	100%	100%	March 31,2015
SMR Automotive Technology Holdings USA Partners (till- 31.03.2014 - dissolved)	USA	-	100%	
SMR Automotive Mirror International USA Inc. (held by SMR)	USA	100%	100%	March 31,2015
SMR Automotive Systems USA Inc. (held by SMR)	USA	100%	100%	March 31,2015
SMR Automotive Systems France S.A. (held by SMR)	France	100%	100%	March 31,2015
SMR Automotive Systems India Limited (held by SMR)	India	100%	100%	March 31,2015
SMR Automotive Yancheng Co. Limited (held by SMR)	China	100%	100%	March 31,2015
SMR Automotive Beijing Company Limited (held by SMR)	China	100%	100%	March 31,2015
SMR Automotive Mirror Technology Holding Hungary KFT (held by SMR)	Hungary	100%	100%	March 31,2015
SMR Automotive Systems Spain S.A.U (held by SMR)	Spain	100%	100%	March 31,2015
SMR Automotive Vision Systems Mexico S.A de C.V (held by SMR)	Mexico	100%	100%	March 31,2015
SMR Automotive Servicios Mexico S.A de C.V (held by SMR)	Mexico	100%	100%	March 31,2015
SMR Patents S.à.r.l. (held by SMR)	Luxembourg	100%	100%	March 31,2015
SMR Automotive Beteiligungen Deutschland GmbH (held by SMR)	Germany	100%	100%	March 31,2015
SMR Automotive Brasil Ltda. (held by SMR)	Brazil	100%	100%	March 31,2015
SMR Automotives Systems Macedonia Dooel Skopje (held by SMR)	Macedonia	100%	100%	March 31,2015
SMR Automotive System (Thailand) Limited (held by SMR)	Thailand	100%	100%	March 31,2015
SMR Automotive Operations Japan K.K. (held by SMR)	Japan	100%	100%	March 31,2015
SMR Automotive Vision System Operations USA INC. (held by SMR)	USA	100%	100%	March 31,2015
SMR Mirror UK Limited (held by SMR)	UK	100%	100%	March 31,2015
Samvardhana Motherson Innovative Autosystems Holding Company BV (held by SMR)	Netherlands	100%	-	March 31,2015
SM Real Estate GmbH (held by SMP Automotive Exterior GmbH)	Germany	94.80%	-	March 31,2015
Kunstsoff-Technik Trier de Mexico S.A de CV (held by SMR)	Mexico	99%	-	March 31,2015
Property Holdings Trier de México S.A de C.V (held by SMR)	Mexico	99%	-	March 31,2015
Administrative Services Trier de México S.A. de C.V (held by SMR)	Mexico	99%	-	March 31,2015

Notes to the Consolidated financial statements

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

B. Details of Associate Companies are as follows:

Name of the Company	Country of Incorporation	% voting power held as at		Reporting Dates used for Consolidation
		March 31, 2015	March 31, 2014	
SAKS Ancillaries Limited	India	40.01%	40.01%	March 31,2015
Re time Pty Limited (held by SMR)	Australia	35%	40.6%	March 31,2015

C. Details of Joint Venture Companies which have been considered in these consolidated accounts are as follows:

Name of the Company	Country of Incorporation	% voting power held as at		Reporting Dates used for Consolidation
		March 31, 2015	March 31, 2014	
Kyungshin Industrial Motherson Limited	India	50%	50%	March 31,2015
Woco Motherson Limited (FZC) (through MSSL Mauritius Holdings Limited)	U.A.E	33.33%	33.33%	December 31, 2014
Woco Motherson Elastomers Limited	India	33.33%	33.33%	March 31, 2015
Woco Motherson Advanced Rubber Technologies Limited	India	33.33%	33.33%	March 31, 2015
Calsonic Kansei Motherson Auto Products Private Limited	India	49%	49%	March 31, 2015
Samvardhana Motherson Nippisun Technology Ltd (SMNTL)	India	49.5%	49.5%	March 31, 2015
Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd. (through SMR)	China	50%	50%	March 31, 2015
Chongqing SMR Huaxiang automotive Products Limited (through SMR)	China	50%	50%	March 31, 2015
Celulosa Fabril S.A. (Zaragoza, ES) (through SMP automotive technology Iberica S.L.)	Spain	50%	50%	March 31, 2015
Modulos Rivera Alta S.L.U. (through Celulosa Fabril S.A.)	Spain	100%	100%	March 31, 2015
Eissmann SMP Automotive Interieur Slovensko s.r.o (through SMP Deutschland GmbH)	Slovakia	49%	49%	March 31, 2015

43. Interests in Joint Ventures:

The Group's interests, as a venture, in jointly controlled entities as at March 31, 2015 are:

Name of the Company	Country of Incorporation	Proportion of ownership interest March 31, 2015	Proportion of ownership interest March 31, 2014
Kyungshin Industrial Motherson Limited	India	50%	50%
Woco Motherson Limited (FZC)	UAE	33.33%	33.33%
Woco Motherson Elastomers Limited	India	33.33%	33.33%
Woco Motherson Advanced Rubber Technologies Limited	India	33.33%	33.33%
Calsonic Kansei Motherson Auto Products Private Limited	India	49%	49%
Samvardhana Motherson Nippisun Technology Ltd (SMNTL)	India	49.5%	49.5%
Ningbo SMR Huaxiang Automotive Mirrors Co. Limited	China	50%	50%
Chongqing SMR Huaxiang Automotive Products Limited	China	50%	50%

Name of the Company	Country of Incorporation	Proportion of ownership interest March 31, 2015	Proportion of ownership interest March 31, 2014
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%

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, 2015	Year ended March 31, 2014
Assets:		
Tangible Assets	2,236	1,082
Intangible Assets	63	72
Capital Work in Progress	324	683
Intangible Asset under development	50	128
Non Current Investments	269	316
Deferred tax assets (Net)	84	62
Long-term loans and advances	594	482
Other non-current assets	164	0#
Current Investments	0#	-
Inventories	1,369	1,239
Trade Receivables	2,925	1,989
Cash and Bank balances	1,451	638
Short-term loans and advances	269	249
Other current assets	115	137
Liabilities		
Long-term borrowings	1,268	841
Deferred tax liability (Net)	12	13
Other long-term liabilities	34	63
Long-term provision	32	28
Short-term borrowings	677	537
Trade Payables	3,038	2,078
Other current liabilities	561	367
Short-term provisions	94	47
Income		
Revenue from operations (net of excise duty)	15,827	10,035
Other Income	283	78
Expenses		
Cost of Materials Consumed	11,087	7,703
Changes in inventories of finished goods work-in-progress and Stock-in-trade	(110)	(437)
Employee benefits expense	1,362	893
Other expenses	1,614	935
Finance Costs	145	70
Depreciation and amortization expense	384	192

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

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Provision for current and deferred tax	431	206
Profit after Tax	**1,197**	**551**
Contingent Liabilities		
- In respect Excise tax matters	5	-
- In respect Service Tax Matters	2	6
- In respect Income Tax Matters	33	26
- Bank Guarantees	2	2
- others	106	-
Capital Commitment	17	141

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:

a. Labour claims -₹ 29 million (Previous Year : ₹ 53 million): Amount of the provision relates to claims against the company in respect of overtime payment, salary parity payment, tenure / damages caused by labour related diseases and labour accidents.

b. Civil claims - ₹ 24 million (Previous Year₹ 10 million): Amount of the provision relates to claims against the company from suppliers.

c. Tax and other claims - ₹ 54 million (Previous Year ₹ 31 million): Amount of the provision relates to claims against the company in respect of sales tax , excise and entry tax demands including interest thereon, where applicable, being contested by the Company. It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

d. Litigations Cost -₹ 64 million (Previous Year ₹ 62 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:

Description	Warranty		Onerous Contracts		Litigations	
	2015	2014	2015	2014	2015	2014
Opening Balance	871	537	1	40	156	91
Additions during the year	739	714	11	-	141	79
Addition on account of acquisition	54	-	-	-	-	-
Utilised / Reversed during the year	(646)	(455)	(1)	(46)	(42)	(28)
Exchange translation adjustment	(100)	75	(2)	7	(38)	14
Closing Balance	**918**	**871**	**9**	**1**	**217**	**156**
Classified as Non – Current (Refer Note 8)	94	114	-	-	97	63
Classified as Current (Refer Note 12)	824	757	9	1	120	93

Notes to the Consolidated financial statements

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

45. Percentage of Group in Net Assets (total assets minus total liabilities and share in profit or loss.

Current Year 2014-15

Name of the Company	Net Assets		Share in profit or (loss)	
	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Profit / (loss)	Amount
Motherson Sumi Systems Ltd	44	21,021	67	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.(SMRP BV) *	33	16,014	79	6,062
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)#	(38)
Vacuform 2000 (Proprietary) Limited	(0)#	(108)	0#	37
MSSL Global RSA Module Engineering Limited	1	236	0#	8
MSSL (S) Pte Ltd	2	953	0#	18
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. USA	4	1,857	(4)	(333)
MSSL Mideast (FZE)	15	7,175	10	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)				
SAKS (India)	0#	29	0#	1
Joint Ventures (As per Proportionate Consolidation)				
Indian:				
KIML (India)	2	1,038	7	546
CKM (India)	1	264	(2)	(142)
Samvardhana Motherson Nippisun Technology Ltd	(0)#	(7)	(0)#	(36)
WMART (India)	0#	237	1	60
WMEL (India)	0#	109	0#	21
Foreign:				
WML FZC (UAE)	0#	61	0#	18
Minority Interest in All Subsidiaries	(21)	(10,142)	(56)	(4,294)
Total	**100**	**47,835**	**100**	**7689**
Adjustment arising out of consolidation		(14,597)		936
As per Consolidated Financial Statements		**33,238**		**8,625**

Previous Year: 2013-14

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 Ltd	53	19,056	59	5,351
Subsidiaries:				
Indian:				
Samvardhana Motherson Polymers Ltd.	1	404	(2)	(132)
MSSL Automobile Component Ltd	0#	0#	0#	(0)#
Foreign:				
Samvardhana Motherson Automotive Systems Group B.V.(SMRP BV) *	(6)	(2,203)	16	1,410
Samvardhana Motherson Reflectec Group Holdings Limited*	36	12,872	49	4,425
Alphabet De Mexico S.A. de C.V	-	-	-	-
Alphabet De Saltillo S.A. de C.V.	-	-	-	-
Alphabet De Mexico de Monclova S.A. de C.V	-	-	-	-
MSSL Wiring Systems Inc	-	-	-	-
MSSL Australia Pty Ltd*	1	504	0#	16
MSSL GmbH*	1	376	(1)	(58)
Vacuform 2000 (Proprietary) Limited	(0)#	(158)	0#	15
MSSL Global RSA Module Engineering Limited	1	252	2	219
MSSL (S) Pte Ltd	3	979	(0)#	(7)
MSSL Japan Limited	0#	30	1	54
Motherson Electrical Wires Lanka Pvt. Ltd.	3	972	3	281
MSSL Mexico S.A. De C.V.	1	364	(1)	(101)
MSSL WH System (Thailand) Co. Ltd.	0#	126	(1)	(71)
MSSL Korea WH Limited	0#	2	(0)#	(6)
MSSL Consolidated Inc. USA	-	-	-	-
MSSL Mideast (FZE)	18	6,468	7	662
MSSL GB Limited	0#	136	1	73
Motherson Wiring System (FZE)	(0)#	(130)	(0)#	(33)
MSSL Tooling (FZE)	1	244	1	132
MSSL Ireland Private Ltd.	0#	17	0#	3
Global Environment Management (FZC)*	(0)#	(75)	0#	1
MSSL Mauritius Holdings Limited	8	2,821	(2)	(141)
Samvardhana Motherson Global Holdings Limited	(2)	(581)	0#	6
MSSL Handels GmbH	(0)#	(8)	(0)#	(0)#
Associates(Investment as per Equity method)				
Indian:				
SAKS (India)	0#	28	0#	2
Joint Ventures (As per Proportionate Consolidation)				
Indian:				
KIML (India)	2	747	3	277
CKM (India)	1	406	(0)#	(35)
Samvardhana Motherson Nippisun Technology Ltd	0#	29	(0)#	(16)
WMART (India)	0#	183	1	58

Name of entity	Net Assets		Share in profit or (loss)	
	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Profit / (loss)	Amount
WMEL (India)	0#	88	0#	12
Foreign:				
WML FZC (UAE)	0#	56	0#	14
Minority Interest in All Subsidiaries	(22)	(7,896)	(36)	(3,315)
Total	**100**	**36,109**	**100**	**9,096**
Adjustment arising out of consolidation		(6,516)		(1,446)
As per Consolidated Financial Statements		**29,593**		**7,650**

*Net assets and profit/(loss) is consolidated amount of the subsidiary including its step down subsidiaries, joint ventures and associates

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

46. During the year ended March 31, 2015, one of the subsidiaries of the Company, Samvardhana Motherson Automotive Systems Group ("SMRP BV" or "the Subsidiary") issued Euro 500,000,000 (₹ 33,529 million) 4.125% Senior Secured Notes due 2021 (the "Notes"). The Notes bear interest at a rate of 4.125% payable semi-annually on January 15 and July 15 of each year and will mature on July 15, 2021. 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 on or after July 15, 2017, redeem all or part of the Notes by paying the redemption prices set forth in the indenture. Prior to July 15, 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, 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 the Revolving Credit Facility and the Secondary 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, directly or indirectly through the use of intercompany loans or distributions was utilized, after meeting initial bond expenses, for repayment of Third Party Indebtedness including shareholder loans amounting to Euro 429.7 million (₹ 28,815 million) and for working capital requirement and capex at subsidiaries amounting to Euro 54 million (₹ 3,621 million).

SMRP BV also entered into Revolving Credit Facility Agreement with a consortium of banks on the date of issue of the Notes. SMRP BV is the original borrower under the Revolving Credit Facility Agreement. The Revolving Credit Facility Agreement is guaranteed by the Guarantors, and will benefit from the same collaterals as the Notes. The Revolving Credit Facility Agreement establishes revolving facility that provides for borrowing of an aggregate principal amount of up to Euro 125 million (₹ 8,382 million) (the "Revolving Credit Facility") available for financing working capital and general corporate needs of SMRP BV and its subsidiaries as well as any permitted acquisitions and capital expenditure and funding any fees, costs and expenses. As at year ended March 31, 2015, Euro 12 million (₹ 809 million) is outstanding. The facility matures in 2019.

On June 17, 2014 SMP Deutschland GmbH (a subsidiary of SMRP BV) entered into a secondary revolving credit facility agreement (the "Secondary Revolving Credit Facility Agreement") with Standard Chartered Bank in an amount of Euro 50 million (₹ 3,353 million), which matures in 2016. The Secondary Revolving Credit Facility is guaranteed on a senior basis by SMRP BV and the same subsidiaries of SMRP BV that guarantee the Notes. The obligations under the Secondary Revolving Credit Facility are secured on a pari passu basis by first priority security interests, subject to certain permitted liens, in the same Collateral that secure the Notes, the Revolving Credit Facility and certain hedging obligations. This facility is used as required to finance the production of products to deliver under certain sales contracts (including payments to sub-contractors in relation to such production), reimbursement of amounts expended by the borrower in connection with productions of products or payments to subcontracts and funding any fees, costs and expenses. As at year ended March 31, 2015, Euro 34 million (₹ 2,280 million) is outstanding.

47. During the year, pursuant to the exercise of Put option, PF Beteiligungsverwaltungs GmbH (group Company of Cross Industries) exercised the put option, as per acquisition agreement on November 23, 2013. Consequently Samvardhana Motherson Peguform Gmbh (SMP) and SMRP BV have acquired 16.28% shares of SMP Duetschland Gmbh and SMP

Automotive Technology Iberica respectively on June 24, 2014 at an aggregate consideration of Euro 29 million (₹ 2,193 million).

Accordingly, goodwill being the excess of consideration over carrying value of minority interest on that date, amounting to Euro 6.5 million (₹ 507 million) has been recognized in these financial statement.

48. During the year, Samvardhana Motherson Global Holdings Limited, Cyprus along with Dr. Alfred Robert Schefenacker (together holding 95.1% of shareholding of Samvardhana Motherson Reflectec Group Holdings Limited, Jersey) jointly made offer to purchase shares of minority shareholders. The transaction was duly completed on June 9, 2014, wherein ₹ 4.822% (98,526,160) shares were purchased from minority shareholders at amount of Euro 15 million (₹ 1,135 million) resulting in goodwill amounting to Euro 7.8 million (₹ 601 million), thereby increasing its holding in SMRGHL to 98.45% from 93.63%.

49. On June 13, 2014, Samvardhana Motherson Automotive Systems Group B.V. (SMRP BV) acquired shareholding of Samvardhana Motherson Reflectec Group Holdings Limited (SMR) from Samvardhana Motherson Group Holdings Limited (SMGHL), Cyprus in share exchange deal wherein SMGHL transferred its entire shareholding (including acquired on June 9, 2014 from minority shareholders) to SMRP BV in exchange of 45,676 shares of a nominal value of EURO one each issued by SMRP BV at a value of Euro 905 million (₹ 60,735 million) and consequently SMRP BV has become subsidiary of SMGHL.

Shareholders of SMRP BV have approved allotment of shares to SMGHL in their meeting held on June 13, 2014. This does not have any impact on the consolidated financial statement of the Company.

50. Acquisition of Wiring Harness Business of Stoneridge Inc.:

The Company, through its subsidiaries, acquired the entire North America and Estonia Wiring Harness Business of Stoneridge Inc. on August 1, 2014, which comprised of assets of United States & Estonia business and share capital of Mexican Entities. The asset purchase agreement was executed between Motherson Sumi Systems Limited, MSSL (GB) Limited and Stoneridge Inc. on May 26, 2014 and became effective from the closing date i.e. August 01, 2014.

As per the asset purchase agreement, following business were part of the acquisition:

1. All Fixed Assets, including land, building and net working capital were acquired by a new Company, Motherson Wiring System Inc. incorporated in United States, a step down subsidiary of the Company.
2. 100% shares were purchased of the entities viz. Alphabet De México, S.A. De C.V., Alphabet De Saltillo, S.A. De C.V., Alphabet De México De Monclova, S.A. De C.V. through MSSL (GB) Limited, an existing step down subsidiary of the Company.
3. Plant & Machinery and Equipment of the Estonia business were acquired by MSSL Mideast (FZE), an existing subsidiary of the Company.

The total acquisition cost amounted to USD 71,385,417 (₹ 4,339 million). This transaction has resulted in goodwill amounting to USD 7.9 million (₹ 481 million), recorded in these financial statements, which has been disclosed under intangible assets (Refer note 13).

The valuation of the acquisition is still in progress and any change in value of assets acquired, due to fair valuation, will be subsequently accounted in the books and is not expected to materially impact the financial statements

51. The Company and its joint venture partner, Woco Franz Josef Wolf Holding GmbH, Germany, have mutually agreed to discontinue their Joint Venture. Consequently the Company will divest its stake at an mutually agreed consideration in the joint venture entities namely Woco Motherson Elastomer Limited, Woco Motherson Advanced Rubber Technologies Limited and Woco Motherson Limited (FZC) subject to completion of legal formalities.

52. Acquisition of Scherer & Trier group (in administration):

Samvardhana Motherson Automotive Systems Group B.V., Netherlands (SMRP BV), Company's subsidiary and joint venture with Samvardhana Motherson International Ltd. purchased the entire German and Mexican business of Scherer & Trier group (S&T), Germany from its administrator through its step down subsidiaries on January 30, 2015.

The purchase agreement was executed between SMRP BV, through its step down subsidiaries in its capacity as Purchaser and insolvency administrator in his capacity as Seller as follows:

1. Fixed Assets excluding land & building and inventory & other receivables were acquired by Samvardhana Motherson Innovative Autosystems B.V. & Co. KG.
2. Land & building were acquired by SM Real Estate GmbH.
3. Shares were acquired by Samvardhana Motherson Reflectec Group Holdings Limited and Samvardhana Motherson Peguform GmbH in ratio of 99:1.

The purchase agreement came into effect from closing date of January 30th, 2015.

The acquisition cost amounting to Euro 35,763,684 (₹ 2,771 million) comprises of following:

1. Purchase price of the assets including land and building & inventories for German entities.
2. 100% shares held in Mexican entities

   The acquisition cost allocated to purchase price of assets including land and buildings & inventories for German Entities amounts to Euro 35,763,384 (₹ 2,771 million) and acquisition cost allocated to purchase of shares of Mexican entities amounts to Euro 300 (₹ 0.02 million)

Asset Acquired for German Operations:

Apportionment of the acquisition cost amounting to Euro 35,763,384 (₹ 2,771 million) to the various assets acquired on a fair basis as determined by competent valuer or as specified in the purchase agreement whichever is lower:

Apportionment of acquisition cost on fair value of assets acquired	Euro	₹ million
Fixed Assets	20,300,000	1,573.01
Inventory	14,736,463	1,141.90
Other receivables	726,921	56.33
Total assets acquired	**35,763,384**	**2,771.24**

Shares Acquired for Mexican Operations:

The book value of net assets acquired amount to Euro 3,773,080 (₹ 293 million). Accordingly amount of Euro 3,772,780 (₹ 293 million) being the excess of the net assets acquired over the acquisition cost has been recognised as a capital reserve on consolidation.

53. As per Section 135 of the Companies Act, 2013, a 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 ₹ 1.5 million on promotion of girls education during the year as against ₹ 117 million required to be spent in accordance with Section 135 of the Act.

54. 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.

55. The Board of Directors of the Company have decided to transfer its stake in Joint Venture Entity Calsonic Kansei Motherson Auto Products Limited to SMIL at a price determined through fair valuation.

56. Previous year figures have been reclassified to conform to this year's classification.

For and on behalf of the Board

For **Price Waterhouse Chartered Accountants LLP(*)**
Firm Registration Number: 012754N/N500016

V.C. SEHGAL
Chairman

NORIYO NAKAMURA
Director

PANKAJ MITAL
Whole-time Director/
Chief Operating Officer

RAJIB CHATTERJEE
Partner
Membership No.: 057134

G.N. GAUBA
Chief Financial Officer &
Company Secretary

Place: Noida
Date : May 12, 2015
(*) Formerly known as "Price Waterhouse"

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

Amount in ₹ Million

Sl. No.	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate 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	Proposed Dividend	% of share holding	Country
1	MSSL Mauritius Holdings Limited	March 31,2015	EUR	67.06	2,536	(163)	2,981	608	1,441	-	82	2	80	-	100%	Mauritius
2	MSSL Mideast (FZE)	March 31,2015	EUR	67.06	2,965	4,210	8,084	909	3,632	2,687	670	-	670	-	100%	UAE
3	Motherson Electrical Wires Lanka Private Limited	March 31,2015	USD	62.50	9	1,049	1,100	42	-	1,334	262	31	231	187	100%	Sri Lanka
4	MSSL (S) Pte Limited	March 31,2015	SGD	45.56	663	85	1,026	278	947	-	17	-	17	-	100%	Singapore
5	MSSL (GB) Limited	March 31,2015	GBP	92.59	0	205	2,828	2,623	2,325	1,293	99	21	78	-	100%	UK
6	Motherson Wiring System (FZE)	March 31,2015	EUR	67.06	2	(112)	65	175	-	-	(4)	-	(4)	-	100%	UAE
7	MSSL Tooling (FZE)	March 31,2015	EUR	67.06	2	306	394	86	-	518	109	-	109	-	100%	UAE
8	MSSL Ireland Private Limited	March 31,2015	EUR	67.06	3	13	19	3	-	-	3	-	3	-	100%	Ireland
9	MSSL GmbH	March 31,2015	EUR	67.06	17	734	1,609	858	401	737	50	-	50	-	100%	Germany
10	Samvardhana Motherson Invest Deutschland GmbH	March 31,2015	EUR	67.06	13	66	195	116	-	54	2	-	2	-	100%	Germany
11	MSSL Advanced Polymers s.r.o.	March 31,2015	CZK	2.44	5	27	1,923	1,891	-	1,754	(11)	5	(16)	-	100%	Czech Republic
12	Motherson Orca Precision Technology GmbH	March 31,2015	EUR	67.06	67	(11)	691	635	0	600	(31)	0	(31)	-	95.10%	Germany
13	MSSL s.r.l. Unipersonale	March 31,2015	EUR	67.06	1	(0)	9	8	-	19	4	-	4	-	100%	Italy
14	Motherson Techno Precision México, S.A. de C.V	March 31,2015	MXP	4.10	0	(139)	407	546	-	335	(65)	2	(67)	-	100%	Mexico
15	Samvardhana Motherson Polymers Management Germany GMBH	March 31,2015	EUR	67.06	2	(0)	2	0	-	-	(0)	-	(0)	-	100%	Germany
16	Samvardhana Motherson Plastic Solutions GMBH & Co KG	March 31,2015	EUR	67.06	1	22	132	109	-	949	29	7	22	-	100%	Germany
17	Global Environment Management (FZC)	March 31,2015	AUD	47.53	333	(144)	261	72	-	16	(1)	-	(1)	-	78.82%	UAE
18	Global Environment Management Australia Pty Limited	March 31,2015	AUD	47.53	0	(255)	0	255	-	0	(1)	-	(1)	-	100%	Australia
19	MSSL Australia Pty Limited	March 31,2015	AUD	47.53	166	67	235	2	0	-	10	3	7	29	80%	Australia
20	Motherson Elastomers Pty Limited	March 31,2015	AUD	47.53	0	233	481	248	-	1,174	44	14	30	-	100%	Australia
21	Motherson Investments Pty Limited	March 31,2015	AUD	47.53	0	(8)	187	195	-	-	5	2	3	-	100%	Australia
22	MSSL Global RSA Module Engineering Limited	March 31,2015	ZAR	5.15	309	(74)	4,582	4,347	-	2,177	4	(4)	8	-	100%	South Africa
23	Samvardhana Motherson Global Holdings Ltd.	March 31,2015	EUR	67.06	135	59,340	60,291	816	60,281	-	(151)	-	(151)	-	51%	Cyprus
24	MSSL Japan Limited	March 31,2015	JPY	0.52	9	44	307	254	-	1,040	45	19	26	-	100%	Japan
25	MSSL México, S.A. De C.V.	March 31,2015	MXP	4.10	467	(287)	517	337	-	491	(144)	-	(144)	-	100%	Mexico
26	Vacuform 2000 (Proprietary) Limited	March 31,2015	ZAR	5.15	6	(114)	361	469	-	553	34	-	34	-	51%	South Africa
27	MSSL WH System (Thailand) Co. Ltd	March 31,2015	THB	1.92	288	(187)	346	245	-	338	(71)	-	(71)	-	100%	Thailand
28	MSSL Korea WH Limited	March 31,2015	KRW	0.06	11	(11)	41	41	-	80	(2)	-	(2)	-	100%	Korea
29	MSSL Automobile Component Ltd	March 31,2015	INR	1.00	1	(0)	1	0	-	-	(0)	-	(0)	-	100%	India
30	Samvardhana Motherson Polymers Limited	March 31,2015	INR	1.00	37	310	529	182	528	-	(57)	-	(57)	-	51%	India
31	MSSL Overseas Wiring system Ltd	March 31,2015	GBP	92.59	0	0	0	0	0	-	0	-	0	-	100%	UK
32	MSSL Consolidated Inc.	March 31,2015	USD	62.50	-	(336)	2,172	2,508	2,131	-	(336)	-	(336)	-	100%	USA
33	MSSL Wiring System Inc	March 31,2015	USD	62.50	-	(414)	6,298	6,712	-	10,220	(414)	-	(414)	-	100%	USA
34	Alphabet de Mexico, S.A. de C.V.	March 31,2015	MXP	4.10	7	286	467	174	-	1,125	81	17	64	-	100%	Mexico
35	Alphabet de Mexico de Monclova, S.A. de C.V.	March 31,2015	MXP	4.10	0	136	82	(54)	-	505	22	6	16	-	100%	Mexico
36	Alphabet de Saltillo, S.A. de C.V.	March 31,2015	MXP	4.10	0	66	179	113	-	516	24	11	13	-	100%	Mexico

Amount in ₹ Million

Sl. No.	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate 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	Proposed Dividend	% of share holding	Country
37	MSSL Wirings Juarez, S.A. de. C.V.	March 31,2015	MXP	4.10	0	0	0	0	-	-	0	0	-	-	100%	Mexico
38	Samvardhana Motherson Automotive Systems Group B.V.	March 31,2015	EUR	67.06	4	59,727	93,109	33,378	67,606	168	(171)	(19)	(152)	-	100%	Netherlands
39	Samvardhana Motherson Peguform GmbH	March 31,2015	EUR	67.06	2	1,867	10,158	8,289	8,081	36	(507)	604	(1,111)	-	100%	Germany
40	SMP Deutschland GmbH	March 31,2015	EUR	67.06	2	12,045	38,538	26,491	742	71,925	3,043	(184)	3,227	-	100%	Germany
41	SMP Automotive Technology Iberica S.L.	March 31,2015	EUR	67.06	953	(1,658)	10,161	10,866	1,588	13,556	(862)	(7)	(855)	-	100%	Spain
42	SMP Automotive Technology Management Services (Changchun) Co. Ltd.	March 31,2015	CNY	10.08	10	(38)	13	41	-	-	(10)	1	(10)	-	100%	China
43	SMP Automotive Technologies Teruel Sociedad Limitada	March 31,2015	EUR	67.06	201	34	368	133	-	639	94	28	66	-	100%	Spain
44	SMP Automotive Systems Mexico S.A. de C.V.	March 31,2015	MXP	4.10	378	(454)	3,959	4,035	-	3,311	(328)	(62)	(266)	-	100%-1share	Mexico
45	Samvardhana Motherson Peguform Barcelona S.L.U	March 31,2015	EUR	67.06	17	338	4,348	3,993	-	29,465	317	95	222	-	100%	Spain
46	SMP Logistik Service GmbH	March 31,2015	EUR	67.06	2	28	79	49	-	258	3	1	2	-	100%	Germany
47	Samvardhana Motherson Peguform Automotive Technology Portugal S.A.	March 31,2015	EUR	67.06	7	283	1,679	1,389	-	5,494	156	12	144	-	100%	Portugal
48	SMP Automotive Solutions Slovakia s.r.o	March 31,2015	EUR	67.06	0	(879)	448	1,327	-	2,100	(343)	-	(343)	-	100%	Slovakia
49	Changchun Peguform Automotive Plastics Technology Co., Ltd.	March 31,2015	CNY	10.08	517	5,045	9,186	3,624	228	14,946	2,536	360	2,176	-	50% +1share	China
50	SMP Automotive Produtos Automotivos do Brasil Ltda.	March 31,2015	BRL	19.56	2,375	(3,370)	2,381	3,376	-	5,398	(1,096)	-	(1,096)	-	100%-1share	Brazil
51	Foshan Peguform Automotive Plastics Technology Co. Ltd.	March 31,2015	CNY	10.08	228	7	768	533	-	515	15	4	11	-	100%	China
52	SMP Exterior Automotive GmbH	March 31,2015	EUR	67.06	2	463	7,185	6,720	2	2,278	(723)	10	(733)	-	100%	Germany
53	SMP Automotive Interiors (Beijing) Co. Ltd	March 31,2015	CNY	10.08	94	(75)	299	280	-	-	(83)	-	(83)	-	100%	China
54	SMIA BV & Co. KG	March 31,2015	EUR	67.06	201	700	3,512	2,611	-	2,725	694	(6)	700	-	100%	Germany
55	SM Real Estate GmbH	March 31,2015	EUR	67.06	2	(17)	715	730	-	20	(24)	(7)	(17)	-	94.80%	Germany
56	Samvardhana Motherson Reflectec Group Holdings Limited	March 31,2015	EUR	67.06	2,042	3,730	7,813	2,041	5,382	-	1,330	-	1,330	-	98.45%	Jersey
57	SMR Automotive Holding Hong Kong Limited	March 31,2015	EUR	67.06	154	15	171	2	170	-	172	-	172	-	100%	Hong Kong
58	SMR Automotive Technology Holding Cyprus Limited	March 31,2015	EUR	67.06	134	4,142	5,441	1,165	5,421	-	615	-	615	-	100%	Cyprus
59	SMR Automotive Mirror Systems Holding Deutschland GmbH	March 31,2015	EUR	67.06	2	(586)	595	1,179	223	-	254	151	103	-	100%	Germany
60	SMR Automotive Mirrors Stuttgart GmbH	March 31,2015	EUR	67.06	2	283	1,354	1,069	7	46	345	6	339	-	100%	Germany
61	SMR Poong Jeong Automotive Mirrors Korea Ltd.	March 31,2015	KRW	0.06	227	3,180	8,199	4,792	668	19,285	1,071	126	945	251	89.86%	South Korea
62	SMR Hyosang Automotive Ltd.	March 31,2015	KRW	0.06	25	942	2,430	1,463	-	6,091	62	13	49	-	89.86%	South Korea
63	SMR Holding Australia Pty Ltd.	March 31,2015	AUD	47.53	1,613	7	1,597	(23)	1,538	-	494	1	493	(24)	100%	Australia
64	SMR Automotive Australia Pty Limited	March 31,2015	AUD	47.53	536	850	3,051	1,665	21	6,037	1,199	715	484	737	100%	Australia
65	SMR Automotive Mirror Technology Hungary BT	March 31,2015	EUR	67.06	68	2,559	7,230	4,603	-	21,478	1,432	(169)	1,601	-	100%	Hungary
66	SMR Grundbesitz GmbH & Co. KG	March 31,2015	EUR	67.06	4	294	387	89	-	-	(14)	(4)	(10)	-	93.07%	Germany
67	SMR Automotive (Langfang) Co. Ltd	March 31,2015	CNY	10.08	492	(362)	2,248	2,118	-	969	(183)	-	(183)	-	89.86%	China
68	SMR Automotive Mirror Parts and Holdings UK Ltd	March 31,2015	EUR	67.06	0	11,697	13,077	1,380	3,987	-	2,779	-	2,779	-	100%	UK
69	SMR Automotive Mirrors UK Limited	March 31,2015	EUR	67.06	0	464	2,863	2,399	-	9,803	361	92	269	-	100%	UK
70	SMR Automotive Technology Valencia S.A.U.	March 31,2015	EUR	67.06	349	(176)	175	2	4	-	(9)	-	(9)	-	100%	Spain
71	SMR Automotive Mirror Services UK Ltd.	March 31,2015	GBP	92.59	0	132	132	0	-	-	14	-	14	-	100%	UK
72	SMR Automotive Mirror International USA Inc.	March 31,2015	USD	62.50	4,737	27	5,175	411	5,175	-	570	-	570	-	100%	USA
73	SMR Automotive Systems USA Inc.	March 31,2015	USD	62.50	5	4,487	7,072	2,580	-	15,603	1,934	505	1,429	-	100%	USA
74	SMR Automotive Systems France S.A.	March 31,2015	EUR	67.06	589	(317)	1,503	1,231	-	3,150	(270)	1	(271)	-	100%	France
75	SMR Automotive Systems India Limited	March 31,2015	INR	1.00	137	800	1,852	915	-	3,603	145	52	93	-	100%	India

Amount in ₹ Million

Sl. No.	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate 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	Proposed Dividend	% of share holding	Country
76	SMR Automotive Yancheng Co. Limited	March 31,2015	CNY	10.08	198	426	916	292	-	1,567	308	78	230	202	100%	China
77	SMR Automotive Beijing Company Limited	March 31,2015	CNY	10.08	34	409	1,647	1,204	-	2,560	(10)	1	(11)	-	100%	China
78	SMR Automotive Mirror Technology Holding Hungary KFT	March 31,2015	EUR	67.06	1	973	972	(2)	970	-	612	-	612	-	100%	Hungary
79	SMR Automotive Systems Spain S.A.U	March 31,2015	EUR	67.06	78	558	2,712	2,076	148	3,670	784	129	655	-	100%	Spain
80	SMR Automotive Vision Systems Mexico S.A de C.V	March 31,2015	USD	62.50	452	401	3,002	2,149	22	5,354	542	179	363	-	100%	Mexico
81	SMR Automotive Servicios Mexico S.A de C.V	March 31,2015	MXP	4.10	0	65	62	(3)	-	-	(9)	(6)	(3)	-	100%	Mexico
82	SMR Patents S.à.r.l.	March 31,2015	EUR	67.06	1	10	140	129	-	-	1	7	(6)	-	100%	Luxembourg
83	SMR Automotive Beteiligungen Deutschland GmbH	March 31,2015	EUR	67.06	2	53	144	89	-	-	12	4	8	-	100%	Germany
84	SMR Automotive Brasil Ltda.	March 31,2015	BRL	19.56	763	(582)	1,316	1,135	-	1,153	(193)	-	(193)	-	100%	Brazil
85	SMR Automotives Systems Macedonia Dooel Skopje	March 31,2015	EUR	67.06	0	(12)	0	12	-	-	(8)	-	(8)	-	100%	Macedonia
86	SMR Automotive System (Thailand) Limited	March 31,2015	THB	1.92	907	(359)	967	419	-	681	(80)	-	(80)	-	100%	Thailand
87	SMR Automotive Operations Japan K.K.	March 31,2015	JPY	0.52	13	7	103	83	-	-	13	5	8	-	100%	Japan
88	SMR Automotive Vision System Operations USA INC .	March 31,2015	USD	62.50	0	3,533	12,283	8,750	3,533	-	25	-	25	-	100%	USA
89	SMR Mirror UK Limited	March 31,2015	EUR	67.06	0	821	9,624	8,803	9,571	-	(1,932)	-	(1,932)	-	100%	UK
90	Samvardhana Motherson Innovative Autosystems Holding Company BV	March 31,2015	EUR	67.06	0	(2)	0	2	-	-	(2)	-	(2)	-	100%	Netherlands
91	Kunstsoff-Technik Trier de Mexico S.A de CV	March 31,2015	MXP	4.10	504	(709)	403	608	-	107	8	-	8	-	99%	Mexico
92	Property Holdings Trier de México S.A de C.V	March 31,2015	MXP	4.10	162	72	248	14	-	2	2	1	1	-	99%	Mexico
93	Administrative Services Trier de México S.A. de C.V	March 31,2015	MXP	4.10	0	2	22	20	-	16	1	1	(0)	-	99%	Mexico

Notes:

1. MSSL Handels GmbH has been liquidated during the year.

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 Associates and Joint Ventures companies

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	
		No.	Amount of Investment in Associates/ Joint Venture	Extend of Holding %				Considered in Consolidation	Not Considered in Consolidation
Kyungshin Industrial Motherson Limited	March 31, 2015	8,600,000	86	50%	As per Joint venture agreement		1,038	1,091	
Calsonic Kansei Motherson Auto Products Private Limited	March 31, 2015	30,930,836	400	49%	As per Joint venture agreement		264	(289)	
Samvardhana Motherson Nippisun Technology Ltd	March 31, 2015	4,455,000	45	49.50%	As per Joint venture agreement		(7)	(72)	
Woco Motherson Elastomer Limited	March 31, 2015	1,139,333	11	33.33%	As per Joint venture agreement		109	63	
Woco Motherson Advanced Rubber Technologies Limited	March 31, 2015	666,667	7	33.33%	As per Joint venture agreement		237	180	
Woco Motherson Limited (FZC)	December 31, 2014	50,000	1	33.33%	As per Joint venture agreement		61	55	
Ningbo SMR Huaxiang Automotive Mirrors Co. Limited	March 31, 2015	-	213	50%	As per Joint venture agreement		8,722	547	
Chongqing SMR Huaxiang Automotive Products Limited	March 31, 2015	-	134	50%	As per Joint venture agreement		1,345	(54)	
Celulosa Fabril (Cefa) S.A. (Zaragoza, ES)	December 31, 2014	6,200	12	50%	As per Joint venture agreement		592	184	
Modulos Rivera Alta S.L.U.	December 31, 2014	100,155	2	50%	As per Joint venture agreement		226	78	
Eissmann SMP Automotive interieur Slovakia s.r.o.	December 31, 2014	1,947	2	49%	As per Joint venture agreement		177	95	
Saks Ancillaries Limited	March 31, 2015	1,000,000	34	40.01%	Note 1		29	3	
Re-time Pty Limited	March 31, 2015	433,826	21	35%	Note 1		11	7	

Note 1: 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.

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 Section143(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
Membership Number: 057134

Place: Noida
Date: May 17, 2016

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
Partner
Membership Number: 057134

Place: Noida
Date: May 17, 2016

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

The notes are an integral part of these consolidated 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

NORIYO NAKAMURA
Director

PANKAJ MITAL
Whole-time Director/
Chief Operating Officer

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

The notes are an integral part of these consolidated financial statements

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

NORIYO NAKAMURA
Director

PANKAJ MITAL
Whole-time Director/
Chief Operating Officer

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 differneces 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:

i) The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard - 3 on “Cash Flow Statement” notified in Companies (Accounting Standards Rules, 2006).

ii) Figures in brackets indicate cash outgo.

This is the Consolidated Cash Flow Statement 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

For and on behalf of the Board

RAJIB CHATTERJEE
Partner
Membership No: 057134
Place: Noida
Date : May 17, 2016

V.C. SEHGAL
Chairman

NORIYO NAKAMURA
Director

PANKAJ MITAL
Whole-time Director/
Chief Operating Officer

G.N. GAUBA
Chief Financial Officer &
Company Secretary

Notes to the Consolidated financial statements

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

1. General Information

Motherson Sumi Systems Limited (MSSL or 'the Company') 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 makes 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.

(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.

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:

a) Land at the prevailing market rates as certified by approved valuation experts as on the date of revaluation.

b) Building, plant and machinery and other assets of MACE at their replacement values as certified by 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.

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 to13 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, 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

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 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 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 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 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 alloted 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 alloted 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	-

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**

[1]Being subsidiy 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;

[2]On account of discontinuation of joint venture with Woco Franz Josef Wolf Holding GmbH, Germany. (Refer Note 48)

[3]During the year, the Company allotted 440,959,680 equity shares of ₹ 1/- each as bonus shares by capitalisation of Securities Premium Account.

[4]Mark 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.

[5]Includes ₹ 65 million (March 31, 2015: ₹ Nil) in respect of overseas susidiaries of the Company in order to comply with the local statute.

[6]Transfer 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.

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)	$4^1/_8$% 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**	**-**	**-**

(a) Nature of Security and terms of repayment for secured borrowings:

	Nature of Security	Terms of Repayment
i	**$4^1/_8$% Senior Secured Notes Due 2021** Loan amounting to ₹ 37,690 million (March 31, 2015: ₹ 33,529 million) secured by: a. Guarantee given by some of the material subsidiaries of Samvardhana Motherson Automotive Systems Group B.V. b. 100% share pledge of material subsidiaries of Samvardhana Motherson Automotive Systems Group B.V. c. 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 aportion 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: a. Guarantee given by some of the material subsidiaries of Samvardhana Motherson Automotive Systems Group B.V. b. 100% share pledge of material subsidiaries of Samvardhana Motherson Automotive Systems Group B.V. c. 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.	

	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.	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 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.
ii	Loan amounting to ₹ 591 million (March 31, 2015: ₹ 934 million) Secured against: 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.	Repayable in monthly installments commencing from October 2014 till June 2020. 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.

	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 - Brasilian) + 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%

	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%.	Repayble 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%

	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 -	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.
		Loan amounting to ₹ Nil (March 31, 2015: ₹ 25 million)
		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.
	Unsecured Foreign Currency Loans from Other than Banks -	Loan amounting to ₹ 1 million (March 31, 2015: ₹ 3 million) repayable in half yearly installments until June 2016 carrying interest rate of 2.32%
		Loan amounting to ₹ 37 million (March 31, 2015: ₹ 39 million) with no fixed repayments terms carrying interest rate of 8.5%
		Loan amounting to ₹ 6 million (March 31, 2015: ₹ 8 million) interest free with no fixed repayments terms.
		Loan amounting to ₹ 249 million (March 31, 2015: ₹ 265 million) repayable in quarterly installments until June 2025.
		Loan amounting to ₹ 44 million (March 31, 2015: ₹ 41 million) repayable in 10 yearly installments commencing from 2074.
		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%
		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%
		Loan amounting to ₹ 29 million (March 31, 2015: ₹ 25 million) repayable in half yearly installments upto March 2024.
		Loan amounting to ₹ 297 million (March 31, 2015: ₹ 271 million) repayable in yearly installments upto May, 2024.
	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-	Loan amounting to ₹ 98 million (March 31, 2015: ₹ 83 million) repayable upto March 2017
		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%

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**

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 Faciliity Agreement and is secured by same collateral that secure the 4^{1}/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.

₹ 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 Faciliity Agreement and is secured by same collateral that secure the 4[1]/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/ Severence 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.

13. Fixed Assets

Particulars	GROSS BLOCK							ACCUMULATED DEPRECIATION / AMORTIZATION / IMPAIRMENT							NET BLOCK
	As at April 1, 2015	Additions on account of acquisition	Additions	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 [2a, 2b & 3]	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	Additions	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 [2a, 2b & 3]	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	14	46	-	-	(29)	196	134
Buildings	22,829	959	3,066	2	-	(3,074)	23,778	6,299	252	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)	(7,591)	48,687	30,102
Furniture & fixtures	3,205	256	639	255	(0)	209	4,054	2,111	28	525	261	(10)	260	2,673	1,381
Office equipments	1,689	4	79	23	0	(623)	1,126	1,326	4	109	11	7	(585)	836	290
Computers	2,835	219	153	241	-	(766)	2,200	2,549	24	201	236	0	(772)	1,766	434
Vehicles	684	10	59	113	-	(42)	598	469	10	92	103	0	(30)	438	160
Total (A)	**116,604**	**4,011**	**13,707**	**2,306**	**(8)**	**(15,183)**	**116,841**	**63,241**	**946**	**8,616**	**1,882**	**(100)**	**(9,710)**	**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	9	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)**	**(10,119)**	**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	1,373	390
Total Intangible Assets	**4,436**	**526**	**1,453**	**376**	**-**	**(527)**	**5,512**	**1,732**	**-**	**312**	**124**	**(0)**	**58**	**1,978**	**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)**	**(10,061)**	**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 Ancilliaries 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 KG [3]	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 18,040 (March 31, 2015: 18,040) equity shares of EUR 3.394 each fully paid up	9	9
	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 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

[1]Includes freehold land amounting to ₹ 182 million (March 31, 2015 : ₹ 182 million) rented out alongwith the buildings.

[2]Trade Investment represents investment made by the Company in shares or debentures of another Company, to promote the trade or business of the Company.

[3]Amount 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.

[1]This 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 Limited[1]	0	0
200 (March 31, 2015 : 200) equity shares of ₹ 10/- each fully paid up		

	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

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**

	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/ Severence 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.

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

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

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

(Amount in million)

Currency	As At March 31, 2016 Payable / (Receivable)		As At March 31, 2015 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

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.

(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.

(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**

(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

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

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

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 Sehgals 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 INfotekk 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

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#

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

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

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

Name of the Company	Country of Incorporation	% voting power held as at		Reporting Dates used for Consolidation
		March 31, 2016	March 31, 2015	
Motherson Techno Precision México, S.A. de C.V (held by MSSL GmbH)	Mexico	100%	100%	March 31,2016
Samvardhana Motherson Polymers Management Germany GMBH (held by MSSL GmbH)	Germany	100%	100%	March 31,2016
Samvardhana Motherson 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
Motherson Elastomers Pty Limited (held by MSSL Australia Pty Limited)	Australia	100%	100%	March 31,2016
Motherson 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 Motherson 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 Motherson 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

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	-	-	-

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 Kunstsoff-Technik Trier de Mexico S.A de CV) (held by SMR)	Mexico	99%	99%	March 31,2016

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%	-

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

(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:

a. 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.

b. Civil claims - ₹ 6 million (March 31, 2015 : ₹ 24 million): Amount of the provision relates to claims against the company from suppliers.

c. 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 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)

(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.

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 $4^1/_8$% 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

NORIYO NAKAMURA
Director

PANKAJ MITAL
Whole-time Director/
Chief Operating Officer

G.N. GAUBA
Chief Financial Officer
& Company Secretary

(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	CNY	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

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%-1share	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%-1share	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

Notes to the Consolidated financial statements

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

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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

(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
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

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:

1. Investment includes investment in subsidiaries and joint venture entities
2. Propsed divided from any of the subsidiary is nil.
3. 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.

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	
			No.	Amount of Investment in Associates/ Joint Venture	Extend of Holding %				Considered in Consolidation	Not Considered in Consolidation
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:

1. 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.
2. 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.

REVIEW REPORT ON UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors
Motherson Sumi Systems Limited
Plot No. 1, Sector 127,
Noida-Greater Noida Expressway,
Noida-201301

1. This review report is issued in accordance with the terms of our agreement dated September 5, 2016.

2. We have reviewed the accompanying Unaudited Condensed Interim Consolidated Financial Statements of Motherson Sumi Systems Limited (the "Company"), its subsidiaries, its jointly controlled entities and associate companies (hereinafter referred to as the "Group"), comprising its Unaudited Condensed Interim Consolidated Balance Sheet as at June 30, 2016, and the Unaudited Condensed Interim Consolidated Statement of Profit and Loss for the three months ended June 30, 2016 and Unaudited Condensed Interim Consolidated Cash Flow Statement for the three months then ended, together with the related notes thereon (herein after referred to as the "Consolidated Interim Financial Statements") prepared by the Management of the Company for the purpose of inclusion in the Preliminary Placement Document and the Placement Document (hereinafter collectively referred to as the "Placement Documents") prepared in connection with the proposed offering of the equity shares of the Company pursuant to a Qualified Institutions Placement ('QIP') to 'Qualified Institutional Buyers' as defined under Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 , as amended (the "Regulations"), to persons outside the United States of America pursuant to Regulation S of the United States Securities Act of 1933, as amended (the "Securities Act") and to Qualified Institutional Buyers as defined in Rule 144A of the Securities Act.

Management's Responsibility for the Consolidated Interim Financial Statements

3. The preparation of the Consolidated Interim Financial Statements in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25 - Interim Financial Reporting, Accounting Standard (AS) 21 – Consolidated Financial Statements, and Accounting Standard (AS) – Financial Reporting of Interests in Joint Ventures, specified under Section 133 of the Companies Act,2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, and other accounting principles generally accepted in India, is the responsibility of the Management of the Company, including the creation and maintenance of all accounting and other records supporting its contents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated interim financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

4. We conducted our review of the Consolidated Interim Financial Statements in accordance with the Standard on Review Engagements (SRE) 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free from material misstatement.

5. A review is limited primarily to inquiries of the Group's personnel and analytical procedures applied to the Group's financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Conclusion

6. Based on our review conducted as above, nothing have come to our attention that causes us to believe that the accompanying Unaudited Consolidated Interim Financial Statements has not been prepared in all material respects, in accordance with Accounting Standard (AS) 25 - Interim Financial Reporting, Accounting Standard (AS) 21 – Consolidated Financial Statements, Accounting Standard 23 – Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard (27) – Financial Reporting of Interests in Joint Ventures specified under Section 133 of the Companies Act,2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India.

Other Matters

7. We did not review the financial statements of 8 subsidiaries and 1 jointly controlled entity included in the consolidated financial statements, which constitute total assets of Rs 156,626 Million and net assets of Rs 12,832 Million as at June 30, 2016, total revenue of Rs. 78,215 Million, net profit of Rs 617 Million and net cash flows amounting to Rs 11,379 Million for the period then ended. These financial statements and other financial information have been reviewed by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors

8. We did not review the financial statements of 54 subsidiaries, 3 jointly controlled entities which constitute total assets of Rs 39,904 Million and net assets of Rs 21,077 Million as at June 30, 2016, total revenue of Rs. 14,905 Million, net profit of Rs 592 Million and net cash flows amounting to Rs 281 Million for the year then ended. The unaudited financial information has been provided to us by the management, and our conclusion on the consolidated financial statements to the extent they relate to these subsidiaries, jointly controlled entities and associate company is based solely on such unaudited financial information furnished to us.

Restriction on use

9. Our obligations in respect of this review report are entirely separate from, and our responsibility and liability is in no way changed by any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this review report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as auditors of any financial statements of the Company.

10. This report is addressed to the Board of Directors of the Company and has been prepared for and only for the purpose of inclusion in the Placement Documents prepared in connection with the proposed offering of the equity shares of the Company pursuant to a Qualified Institutions Placement ('QIP') to 'Qualified Institutional Buyers' as defined under Chapter VIII of the Regulations and to persons outside the United States of America pursuant to Regulation S of the Securities Act and to Qualified Institutional Buyers as defined in Rule 144A of the Securities Act, as amended. These documents will be submitted / filed with the stock exchanges where the Company's equity shares are listed, Securities Exchange Board of India ('SEBI') and the Registrar of Companies ('ROC') in Maharashtra, as applicable. This report should not be otherwise used or shown to or otherwise distributed to any other party or used for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Price Waterhouse Chartered Accountants LLP
Firm Registration: 012754N/N500016

Rajib Chatterjee
Partner
Membership Number: 057134

Date:
Place:

MOTHERSON SUMI SYSTEMS LIMITED

(All amounts in Rs. Million, unless otherwise stated)

Condensed interim consolidated Balance Sheet	**Unaudited**	**Audited**
	As At June 30, 2016	As At March 31, 2016
Equity and Liabilities		
Shareholders' funds		
Share capital	1,323	1,323
Reserves and Surplus	44,134	41,133
	45,457	42,456
Minority Interest	15,409	14,411
Non Current Liabilities		
Long-term borrowings (Refer Note 3)	70,193	50,023
Deferred tax liabilities (net)	1,937	1,926
Other long-term liabilities	1,850	1,828
Long-term provisions	2,534	2,424
	76,514	56,201
Current Liabilities		
Short-term borrowings	6,127	9,859
Trade payables		
Total outstanding dues of micro and small enterprises and	47	55
Total outstanding dues of creditors other than micro and small enterprises	54,727	55,619
Other current liabilities	25,928	25,553
Short-term provisions	3,804	3,077
	90,633	94,163
TOTAL	228,013	207,231
Assets		
Non-Current Assets		
Fixed Assets		
Tangible assets (Refer Note 7)	77,548	70,093
Intangible assets	3,731	3,496
Capital work in progress	9,144	13,740
Non-current investments	1,057	1,009
Deferred tax assets (net)	3,120	3,649
Long-term loans and advances	2,317	2,337
Other non-current assets	7,331	5,185
	104,248	99,509
Current Assets		
Current investments*	0	0
Inventories	48,024	45,033
Trade receivables	34,510	34,656
Cash and bank balances	31,519	19,329
Short-term loans and advances	9,422	8,165
Other current assets	290	539
	123,765	107,722
TOTAL	228,013	207,231

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

This is the unaudited condensed interim consolidated balance sheet referred to in our report of even date

The explanatory notes are an integral part of these unaudited condensed interim consolidated financial statements

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

For and on behalf of the Board

V.C. SEHGAL
Chairman

NORIYO NAKAMURA
Director

RAJIB CHATTERJEE
Partner
Membership No.: 057134

Place: Noida
Date : September 08, 2016

MOTHERSON SUMI SYSTEMS LIMITED

(All amounts in Rs. Million, unless otherwise stated)

Condensed interim consolidated Statement of Profit & Loss

	Unaudited For the period ended June 30, 2016
Revenue	
Revenue from operations (gross)	109,052
Less: Excise duty	1,908
Revenue from operations (net)	107,144
Other Income	475
Total	107,619
Expenses	
Cost of materials consumed	66,262
Purchase of stock-in-trade	578
Changes in inventories of finished goods, work-in-progress and stock in trade	(1,971)
Employee benefit expenses	20,892
Other expenses (Refer Note 5)	12,360
Total	98,121
Profit before finance cost, depreciation, exceptional items and tax	9,498
Finance costs	802
Profit before depreciation, exceptional items and tax	8,696
Depreciation and amortization expense	2,796
Exceptional items (Income)/ Expense (Refer Note 4)	332
Profit Before Tax	5,568
Tax expenses	
-Current tax (Refer Note 6)	1,803
-Deferred tax expense/ (credit) (Refer Note 6)	201
-Fringe benefit tax	13
Profit after tax before share of results of associates and minority interest	3,551
Less: Minority Interest Profit/ (Loss)	960
Add: Share of net profit / (loss) of associates	(3)
Profit for the period	2,588
Earnings per share:	
Nominal value per share: Re. 1/-	
Basic : Rs. Per share	1.96
Diluted : Rs. Per share	1.96

This is the unaudited condensed interim consolidated statement of profit & loss referred to in our report of even date

The explanatory notes are an integral part of these unaudited condensed interim consolidated financial statements

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

For and on behalf of the Board

V.C. SEHGAL
Chairman

NORIYO NAKAMURA
Director

RAJIB CHATTERJEE
Partner
Membership No.: 057134

Place: Noida
Date : September 08, 2016

Motherson Sumi Systems Limited

(All amounts in Rs. Million, unless otherwise stated)

Condensed interim consolidated Cash Flow Statement

		Unaudited For the period ended June 30, 2016
A.	Cash flow from / (used in) operating activities:	2,520
B.	Cash flow from / (used in) Investing activities:	(5,474)
C.	Cash flow from / (used in) financing activities:	14,799
D.	Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	11,845
E.	Opening Cash and Cash equivalents	18,990
F.	**Closing Cash and cash equivalents (D+E)**	**30,835**

Notes:

1 The above Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3 on "Cash flow statements', however disclosures are made in accordance with requirements of Accounting Standard-25 on "Interim Financial Statement".

2 Cash and cash equivalents comprise of:

Cash on hand	32
Cheques / drafts on hand	26
Balance with Banks	30,770
Cash and cash equivalents as per Balance Sheet	**30,828**
Effect of exchange differences on balance with banks in foreign currency	7
Total	**30,835**

This is the unaudited condensed interim consolidated cash flow statement referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

For and on behalf of the Board

V.C. SEHGAL
Chairman

NORIYO NAKAMURA
Director

RAJIB CHATTERJEE
Partner
Membership No.: 057134

Place: Noida
Date : September 08, 2016

(All amounts in Rs. Million, unless otherwise stated)

1. General Information

Motherson Sumi Systems Limited (MSSL or 'the Company') is engaged primarily in the manufacture and sale of components to automotive original equipment manufacturers. The Company is a public limited company and is listed on the Bombay Stock Exchange 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 94 subsidiaries (including stepdown subsidiaries), 8 Joint ventures and 2 associates.

2. Summary of significant accounting policies

2.1 Basis of preparation

a. These condensed interim consolidated financial statements for the quarter ended June 30, 2016 have been prepared in accordance with Accounting Standard 25, 'Interim financial reporting' for the first time and has adopted the transitional provision as laid down in para 44 of the said Standard. Accordingly, comparative Statement of the Profit and Loss and Cash Flow Statement for the comparable interim period has not been provided. Previous years' figures wherever disclosed have been regrouped or rearranged where considered necessary. These condensed interim consolidated financial statements should be read in conjunction with the annual financial statements for the year ended March 31, 2016, which have been prepared in accordance with Indian GAAP.

The accounting policies adopted for preparation of these condensed interim consolidated financial statements are consistent with those used for preparation of annual financial statements for year ended March 31, 2016. Further, the Ministry of Corporate affairs vide its notification dated March 30, 2016 notified the Companies (Accounting Standard) Amendment rules, 2016, transition date being April 1, 2016. The Company has assessed the changes in existing policy as per said notification and has applied those for preparation of condensed interim consolidated financial statements.

The Company adopted Indian Accounting Standards ("Ind AS") from April 1, 2016 for the first time with a transition date of April 1, 2015. However, in accordance with SEBI's circular no SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016, these condensed interim consolidated financial statements have been prepared in accordance with the accounting policies used for the preparation of the annual financial statements for the year ended March 31, 2016.

b. The Condensed interim consolidated financial statements have been prepared on the following basis:

i. The Condensed interim financial statement of the Parent and its subsidiary companies have been consolidated 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.

ii. The Condensed interim consolidated financial statements have been prepared using condensed interim financial statements drawn up to same reporting dates.

iii. Joint ventures have been accounted for in the condensed interim consolidated financial statements using proportionate consolidation method. 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.

iv. Associate companies have been accounted for in the condensed interim consolidated financial statements using equity accounting method, 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.

c. The subsidiaries, joint ventures and associates considered in the preparation of condensed interim consolidated financial statements are as follows:

List of Subsidiaries

Name of the Company	Country of Incorporation	% voting power held as at June 30, 2016
MSSL Mauritius Holdings Limited	Mauritius	100%
MSSL Mideast (FZE)	UAE	100%
Motherson Electrical Wires Lanka Private Limited	Sri Lanka	100%
MSSL (S) Pte Limited	Singapore	100%
MSSL (GB) Limited (held by MSSL Mideast (FZE))	UK	100%
Motherson Wiring System (FZE) (held by MSSL Mideast (FZE))	UAE	100%
MSSL Tooling (FZE) (held by MSSL Mideast (FZE))	UAE	100%
MSSL Ireland Private Limited (held by MSSL Mauritius Holdings Limited)	Ireland	100%
MSSL GmbH (held by MSSL Mideast (FZE))	Germany	100%
Samvardhana Motherson Invest Deutschland GmbH (held by MSSL GmbH)	Germany	100%
MSSL Advanced Polymers s.r.o.(held by MSSL GmbH)	Czech Republic	100%
Motherson Orca Precision Technology GmbH (held by MSSL GmbH)	Germany	95.10%
MSSL s.r.l. Unipersonale (held by MSSL GmbH)	Italy	100%
Motherson Techno Precision México, S.A. de C.V (held by MSSL GmbH)	Mexico	100%
Samvardhana Motherson Polymers Management Germany GMBH (held by MSSL GmbH)	Germany	100%

(All amounts in Rs. Million, unless otherwise stated)

Name of the Company	**Country of Incorporation**	**% voting power held as at June 30, 2016**
Samvardhana Motherson Plastic Solutions GMBH & Co KG (held by MSSL GmbH)	Germany	100%
Global Environment Management Australia Pty Limited (held by Global Environment Management (FZC))	Australia	100%
Global Environment Management (FZC) (held by MSSL Mauritius Holdings Limited)	UAE	78.82%
MSSL Australia Pty Limited (held by MSSL (S) Pte. Limited)	Australia	80%
Motherson Elastomers Pty Limited (held by MSSL Australia Pty Limited)	Australia	100%
Motherson Investments Pty Limited (held by MSSL Australia Pty Limited)	Australia	100%
MSSL Global RSA Module Engineering Limited (held by MSSL Mauritius Holdings Limited)	South Africa	100%
Samvardhana Motherson Global Holdings Ltd. (SMGHL) (held by MSSL Mauritius Holdings Limited)	Cyprus	51%
MSSL Japan Limited (held by MSSL (S) Pte Limited)	Japan	100%
MSSL México, S.A. De C.V. (held by MSSL (S) Pte Limited)	Mexico	100%
Vacuform 2000 (Proprietary) Limited (held by MSSL Mauritius Holdings Limited)	South Africa	51%
MSSL WH System (Thailand) Co., Ltd (held by MSSL (S) Pte. Ltd.)	Thailand	100%
MSSL Korea WH Limited (held by MSSL (S) Pte. Ltd.)	Korea	100%
MSSL Automobile Component Ltd	India	100%
Samvardhana Motherson Polymers Limited (SMPL)	India	51%
MSSL Consolidated Inc. (held by MSSL (GB) Ltd.)	USA	100%
MSSL Overseas Wiring System Ltd. (held by MSSL Consolidated Inc)	UK	100%
MSSL Wiring System Inc (held by MSSL Overseas Wiring System Ltd)	USA	100%
Alphabet de Mexico, S.A. de C.V. (held by MSSL (GB) Ltd.)	Mexico	100%
Alphabet de Mexico de Monclova, S.A. de C.V. (held by MSSL (GB) Ltd.)	Mexico	100%
Alphabet de Saltillo, S.A. de C.V. (held by MSSL (GB) Ltd.)	Mexico	100%
MSSL Wirings Juarez, S.A. de C.V.	Mexico	100%
Samvardhana Motherson Automotive Systems Group B.V. (SMRPBV) (formerly Samvardhana Motherson B.V.) (held by SMGHL and SMPL)	Netherlands	100%
Samvardhana Motherson Peguform GmbH (held by SMRPBV)	Germany	100%
SMP Deutschland GmbH (held by Samvardhana Motherson Peguform GmbH and SMGHL)	Germany	100%
SMP Automotive Technology Iberica S.L. (held by SMRPBV)	Spain	100%
SMP Automotive Technology Management Services (Changchun) Co. Ltd. (held by SMP Deutschland GmbH)	China	100%
SMP Automotive Technologies Teruel Sociedad Limitada (held by SMP Automotive Technology Iberica S.L.)	Spain	100%
SMP Automotive Systems Mexico S.A. de C.V. (held by SMP Automotive Technology Iberica S.L.)	Mexico	100%-1share
Samvardhana Motherson Peguform Barcelona S.L.U (held by SMP Automotive Technology Iberica S.L.)	Spain	100%
SMP Logistik Service GmbH (held by SMP Deutschland GmbH)	Germany	100%
Samvardhana Motherson Peguform Automotive Technology Portugal S.A. (held by SMP Automotive Technology Iberica S.L.)	Portugal	100%
SMP Automotive Solutions Slovakia s.r.o (held by SMP Deutschland GmbH)	Slovakia	100%
Changchun Peguform Automotive Plastics Technology Co., Ltd.(held by SMP Deutschland GmbH)	China	50% +1share
SMP Automotive Produtos Automotivos do Brasil Ltda. (held by SMP Automotive Technology Iberica S.L.)	Brazil	100%-1share
Foshan Peguform Automotive Plastics Technology Co. Ltd. (held by Changchun Peguform Automotive Plastics Technology Co., Ltd.)	China	100%
SMP Exterior Automotive GmbH (held by Samvardhana Motherson Peguform GmbH)	Germany	100%
SMP Automotive Interiors (Beijing) Co. Ltd (held by SMRPBV)	China	100%
Samvardhana Motherson Reflectec Group Holdings Limited (SMR) (held by Samvardhana Motherson Automotive Systems Group B.V.)	Jersey	98.45%
SMIA BV & Co. KG (held by Samvardhana Motherson Peguform GmbH)	Germany	100%
SMR Automotive Holding Hong Kong Limited (held by SMR)	Hong Kong	100%
SMR Automotive Technology Holding Cyprus Limited (held by SMR)	Cyprus	100%
SMR Automotive Mirror Systems Holding Deutschland GmbH (held by SMR)	Germany	100%
SMR Automotive Mirrors Stuttgart GmbH (held by SMR)	Germany	100%
SMR Automotive Modules Mirrors Korea Ltd . (held by SMR)	South Korea	100%
SMR Hyosang Automotive Ltd. (held by SMR)	South Korea	100%
SMR Holding Australia Pty Ltd. (held by SMR)	Australia	100%
SMR Automotive Australia Pty Limited (held by SMR)	Australia	100%
SMR Automotive Mirror Technology Hungary BT (held by SMR)	Hungary	100%
SMR Grundbesitz GmbH & Co. KG (held by SMR)	Germany	93.07%
SMR Automotive (Langfang) Co. Ltd (held by SMR, Korea)	China	100%
SMR Automotive Mirror Parts and Holdings UK Ltd (held by SMR)	UK	100%
SMR Automotive Mirrors UK Limited (held by SMR)	UK	100%

(All amounts in Rs. Million, unless otherwise stated)

Name of the Company	Country of Incorporation	% voting power held as at June 30, 2016
SMR Automotive Technology Valencia S.A.U. (held by SMR)	Spain	100%
SMR Automotive Mirror International USA Inc. (held by SMR)	USA	100%
SMR Automotive Systems USA Inc. (held by SMR)	USA	100%
SMR Automotive Systems France S.A. (held by SMR)	France	100%
SMR Automotive Systems India Limited (held by SMR)	India	100%
SMR Automotive Yancheng Co. Limited (held by SMR)	China	100%
SMR Automotive Beijing Company Limited (held by SMR)	China	100%
SMR Automotive Mirror Technology Holding Hungary KFT (held by SMR)	Hungary	100%
SMR Automotive Systems Spain S.A.U (held by SMR)	Spain	100%
SMR Automotive Vision Systems Mexico S.A de C.V (held by SMR)	Mexico	100%
SMR Automotive Servicios Mexico S.A de C.V (held by SMR)	Mexico	100%
SMR Patents S.à.r.l. (held by SMR)	Luxembourg	100%
SMR Automotive Beteiligungen Deutschland GmbH (held by SMR)	Germany	100%
SMR Automotive Brasil Ltda. (held by SMR)	Brazil	100%
SMR Automotives Systems Macedonia Dooel Skopje (held by SMR)	Macedonia	100%
SMR Automotive System (Thailand) Limited (held by SMR)	Thailand	100%
SMR Automotive Operations Japan K.K. (held by SMR)	Japan	100%
SMR Automotive Vision System Operations USA INC . (held by SMR)	USA	100%
SMR Mirror UK Limited (held by SMR)	UK	100%
Samvardhana Motherson Innovative Autosystems Holding Company BV (held by SMR)	Netherlands	100%
SM Real Estate GmbH (held by SMP Automotive Exterior GmbH)	Germany	94.80%
SMIA de Mexico, S.A. de C.V. (held by SMR)	Mexico	99%
Samvardhana Motherson Global (FZE) (Held by SMR)	UAE	100%
Motherson Innovations Company Limited (Held by SMR)	England	100%
Motherson Innovations Deutschland GmbH	Germany	100%
SMP Automotive Systems Alabama Inc. (Held by SMR)	USA	100%

List of Associate companies

Name of the Company	Country of Incorporation	% voting power held as at June 30, 2016
SAKS Ancillaries Limited	India	40%
Re time Pty Limited (held by SMR)	Australia	35%

List of Joint Ventures

Name of the Company	Country of Incorporation	% voting power held as at June 30, 2016
Kyungshin Industrial Motherson Limited	India	50%
Calsonic Kansei Motherson Auto Products Private Limited	India	49%
Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd. (through SMR)	China	50%
Chongqing SMR Huaxiang Automotive Products Limited (through SMR)	China	50%
Celulosa Fabril S.A. (Zaragoza, ES) (through SMP automotive technology Iberica S.L.)	Spain	50%
Modulos Rivera Alta S.L.U. (through Celulosa Fabril S.A.)	Spain	100%
Eissmann SMP Automotive Interieur Slovensko s.r.o (through SMP Deutschland GmbH)	Slovakia	49%
Samvardhana Motherson Nippisun Technology Ltd (SMNTL)	India	50%

2.2 Use of Estimates

The preparation of condensed interim consolidated 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 period and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying condensed interim consolidated financial statement are based upon management's evaluation of relevant facts and circumstances as at the date of the condensed interim consolidated financial statements. Actual results could differ from estimates.

(All amounts in Rs. Million, unless otherwise stated)

2.3 Property, Plant and equipment (tangible fixed assets)

Property, Plant and equipment is recognized when the cost of an asset can be reliably measured, and it is probable that the entity will obtain future economic benefit from the asset.

The Company has used Cost model for valuation of Property, plant and equipment and accordingly, all revaluation reserve ,existing as at transition date i.e. April 1, 2016, has been adjusted with carrying amount of asset.

Property, Plant and equipment are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any, except for assets costing upto Rs 5,000 to Rs 350,000 each charged to expense, which could otherwise have been included as Property, Plant and equipment , in accordance with Accounting Standard 10 (Revised) - 'Property, Plant and equipment', because the amount is not material.

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.

2.4 Intangible Assets

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

Asset	**Useful lives (years)**
Technical Knowhow fees*	3 to13 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 is amortized over period of 5 years. Also, Goodwill generated on acquisition of assets will be tested for impairment.

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

2.6 Impairment of Assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. 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 realizable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognize a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

Investment Property

Investment in land & 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.

2.9 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.

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 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".

2.10 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 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.

2.11 Other Income

Interest

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

Duty Drawback and export incentives

Income from duty drawback and export incentives is recognized on an accrual basis.

Dividend

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

2.12 Employee Benefits

a) In respect of the companies incorporated in India

Provident Fund & Employee State Insurance

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

Gratuity

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

Compensated Absences

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

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

SMP 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 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.

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.

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.

Termination Benefits

Termination benefits in the nature of voluntary retirement benefits are recognised in the Statement of Profit and Loss as and when incurred.

2.13 Government Grants

Government grants are recognized when it is reasonable to expect that the grants will be received and that all related conditions will be met. Government grants in respect of capital expenditure are credited to the acquisition costs of the respective fixed asset and thus are released as income over the expected useful lives of the relevant assets. Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate. Government grants that are given with reference to total capital outlay are credited to capital reserve and treated as a part of shareholders' funds.

2.14 Current and Deferred Tax

Tax expense for the 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 realized. 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.

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.

2.15 Provisions and Contingent Liabilities

Provisions

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

Contingent Liabilities

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

2.16 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 recognized in the Statement of Profit and Loss on a straight line basis over the lease term which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognized as an expense in the Statement of Profit and Loss in the period in which they are incurred.

2.17 Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted by the Company. Further, inter-segment revenue have been accounted 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/income”.

(All amounts in Rs. Million, unless otherwise stated)

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.

3. Issue of Senior Secured Notes

Samvardhana Motherson Automotive Systems Group B.V., Netherlands (SMRPBV), one of the Company's subsidiary has issued 4.875% Senior Secured Notes for USD 300 million (INR 20,256 million) due 2021 on June 06, 2016 and additional notes amounting to USD 100 million (INR 6,752 million) on August 8, 2016, to form single series with the above mentioned USD 300 million notes. The net proceeds from the aforesaid Notes would be used to meet company's investment requirement, repayment of existing third party indebtedness.

4. Exceptional items

Items that are material either because of their size or their nature or that are non-recurring are considered as exceptional items and are disclosed separately in statement to Condensed Interim Consolidated Statement of Profit & Loss.

During quarter ended June 30, 2016, the Company has incurred issue expense amounting to INR 332 million in respect of issue of senior secured notes.

5. Other expenses for the quarter ended June 30, 2016 includes an expense INR 466 Million (EUR 6.17 Million) incurred towards costs/ fee for new projects by SMRP BV Group. These expenses are charged off to the Statement of Profit and loss account when incurred under Indian GAAP. However, these expenses are amortised over the life of the project to systematically allocate expenses in the accounting periods in which such economic benefits are consumed under IND AS / IFRS.

6. Income tax expense is recognized based on management's estimate of the weighted average annual income tax rate expected for the full financial year.

7. The Company has used cost model for valuation of property, plant and equipment for each class of assets as per Accounting Standard- 10 (Revised) 'Property, Plant and Equipment" and accordingly, has adjusted the revaluation reserve amounting to INR 96 million, existing as at April 1, 2016, with carrying amount of respective asset. Refer Note 2.3 for accounting policy on property, plant and equipment.

8. Claims against the Company not acknowledged as debts

	As At June 30, 2016	**As At March 31, 2016**
a) Excise Matters	**62**	62
b) Sales Tax Matters	**48**	48
C) Service Tax Matters	**39**	42
d) Stamp Duty	**3**	3
e) Claims made by workmen	**40**	38
f) Income Tax Matters	**140**	156
g) Unfulfilled export commitment under EPCG Scheme	**108**	108
h) Custom demand matters	**-**	59
i) Others	**145**	147

(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.

(All amounts in Rs. Million, unless otherwise stated)

9. 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.

These condensed interim consolidated financial statement have been prepared in accordance with Accounting Standard 25, 'Interim financial reporting' and accordingly details of business segment is presented below considering the primary reporting segment of the Company.

The Company has identified two operating segments, namely Automotive and Non Automotive, determined on the basis of nature of products and services.

		For the period ended June 30, 2016
1	**Segment revenue**	
(a)	Automotive	104,699
(b)	Non automotive	2,829
(c)	Unallocated	40
	Total	**107,568**
	Less: Inter segment revenue	-
	Net sales/income from operations	**107,568**
2	**Segment results**	
(a)	Automotive	6,537
(b)	Non automotive	276
(c)	Unallocated	-
	Total	**6,813**
	Less i) Interest (Net)	752
	ii) Other unallocable expenditure (Net of unallocable income)	493
(d)	Profit/(loss) of Associate	(3)
	Total profit before tax	**5,565**
3	**Segment Assets**	
(a)	Automotive	216,825
(b)	Non automotive	5,405
(c)	Unallocated	5,783
	Total segment assets	**228,013**
4	**Segment Liabilities**	
(a)	Automotive	82,558
(b)	Non automotive	997
(c)	Unallocated (excluding short term borrowings, long term borrowings and current maturities)	4,467
	Total segment liabilities	**88,022**
5	**Segment Capital Employed (segment assets minus segment liabilities)**	
(a)	Automotive	134,267
(b)	Non automotive	4,408
(c)	Unallocated	1,316
	Total segment liabilities	**139,991**

10. Previous Year figures have been regrouped/reclassified wherever necessary to correspond with the current period's classification/disclosures.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

For and on behalf of the Board

V.C. SEHGAL
Chairman

NORIYO NAKAMURA
Director

RAJIB CHATTERJEE
Partner
Membership No.: 057134

Place: Noida
Date : September 08, 2016

DECLARATION

Our Company certifies that all relevant provisions of Chapter VIII and Schedule XVIII of the SEBI ICDR Regulations have been complied with and no statement made in this Placement Document is contrary to the provisions of Chapter VIII and Schedule XVIII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on the Company's business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Placement Document are true and correct.

Signed by:

____
Mr. Vivek Chaand Sehgal
(Chairman and Non-Executive Director)

Date: _______________ Place: Noida

DECLARATION

We, the Directors of the Company, certify that:

(i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under the offer shall be used only for the purposes and objects indicated in the Placement Document (which includes disclosures prescribed under Form PAS-4).

Signed by:

____
Mr. Vivek Chaand Sehgal
(Chairman and Non-Executive Director)

We are severally authorised by the Board of Directors of our Company, *vide* resolution dated September 13, 2016, to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

____
Mr. Vivek Chaand Sehgal
(Chairman and Non-Executive Director

____
Mr. G.N. Gauba
(*Company Secretary & Compliance Officer*)

Date: ________________ Place: Noida

MOTHERSON SUMI SYSTEMS LIMITED

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

Corporate Office
Plot No. 1, Sector 127,
Noida – 201 301,
Uttar Pradesh, India

Website: http://www.motherson.com

CIN: L34300MH1986PLC284510

Compliance Officer: Mr. G.N. Gauba

BOOK RUNNING LEAD MANAGERS

JM Financial Institutional Securities Limited
7th Floor, Cnergy Appasaheb Marathe Marg,
Prabhadevi, Mumbai - 400 025, India

UBS Securities India Private Limited
2/F, 2 North Avenue, Maker Maxity,
Bandra-Kurla Complex,
Bandra (East), Mumbai - 400051, India

ICICI Securities Limited
ICICI Centre, H.T. Parekh Marg
Churchgate, Mumbai 400 020,
Maharashtra, India

IDFC Bank Limited
Naman Chambers C-32, G Block,
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051 Maharashtra, India

IIFL Holdings Limited

10th Floor, IIFL Centre, Kamala City,
Senapati Bapat Marg,
Lower Parel (West), Mumbai - 400013, India

STATUTORY AUDITORS OF OUR COMPANY

Price Waterhouse Chartered Accountants LLP
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LEGAL ADVISERS TO THE COMPANY

As to Indian law

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