RED HERRING PROSPECTUS
Dated April 20, 2012
Please read Section 60B of the Companies Act, 1956
100% Book Built Issue

SAMVARDHANA MOTHERSON FINANCE LIMITED

Our Company was incorporated as a public limited company under the Companies Act, 1956, as amended (the "**Companies Act**") on December 9, 2004 as 'Samvardhana Motherson Finance Limited' and was granted a certificate of commencement of business on December 23, 2004 by the the Registrar of Companies, National Capital Territory of Delhi and Haryana ("**RoC**").

Registered Office: 2nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, Delhi 110 044, India. **Telephone**: +91 11 4055 5940; **Facsimile**: +91 11 4055 5940
For further details in relation to the changes of our Registered Office, see the section titled "History and Certain Corporate Matters" on page 175.

Corporate Office: C-1, A&B, Sector 1, Noida, Gautam Budh Nagar, Uttar Pradesh 201 301, India. **Telephone**: +91 120 6752 218; **Facsimile**: +91 120 2445 160

Contact Person and Compliance Officer: Pooja Mehra, Company Secretary; **Telephone**: +91 120 6752 293; **Facsimile**: +91 120 2445160

E-mail: compliance@smfl.in; **Website**: www.smfl.in

PROMOTERS OF OUR COMPANY: VIVEK CHAAND SEHGAL, RENU SEHGAL AND LAKSH VAAMAN SEHGAL

PUBLIC ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF SAMVARDHANA MOTHERSON FINANCE LIMITED ("OUR COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE, AGGREGATING ₹ 16,650 MILLION* (THE "ISSUE") COMPRISING OF A FRESH ISSUE OF [●] EQUITY SHARES BY OUR COMPANY AGGREGATING ₹ 13,440 MILLION* (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF [●] EQUITY SHARES (THE "OFFER FOR SALE") BY RADHA RANI HOLDINGS PTE LTD (THE "SELLING SHAREHOLDER") AGGREGATING ₹ 3,210 MILLION*. THE ISSUE INCLUDES A RESERVATION OF UP TO 5% OF THE ISSUE SIZE CONSTITUTING [●] EQUITY SHARES FOR SUBSCRIPTION BY THE ELIGIBLE SHAREHOLDERS (AS DEFINED IN "DEFINITIONS AND ABBREVIATIONS", AND SUCH PORTION THE "SHAREHOLDER RESERVATION PORTION"). THE ISSUE LESS THE SHAREHOLDER RESERVATION PORTION IS REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE SHALL CONSTITUTE [●]% AND [●]%, RESPECTIVELY, OF THE POST-ISSUE PAID UP CAPITAL OF OUR COMPANY.

* *Subject to such revisions as permissible under the SEBI Regulations*

THE FACE VALUE OF THE EQUITY SHARE IS ₹ 10 EACH

THE PRICE BAND WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDER IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND THE MINIMUM BID LOT SIZE WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS. THE PRICE BAND AND THE MINIMUM BID LOT SIZE WILL BE ADVERTISED ALL EDITIONS OF FINANCIAL EXPRESS (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND ALL EDITIONS OF JANSATTA (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER) AT LEAST TWO WORKING DAYS PRIOR TO THE BID OPENING DATE

In case of any revision in the Price Band, the Bidding Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bidding Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bidding Period, if applicable, shall be widely disseminated by notification to the Self Certified Syndicate Banks ("**SCSBs**"), the National Stock Exchange of India Limited (the "**NSE**") and the BSE Limited (the "**BSE**"), by issuing a press release and also by indicating the change on the website of the Book Running Lead Managers.

The Issue is being made through the Book Building Process in accordance with Rule 19(2)(b)(ii) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**") read with Regulation 26(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "**SEBI Regulations**"), wherein not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**"). Our Company may, in consultation with the Book Running Lead Managers, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price. All Investors other than Anchor Investors may participate in this Issue through the ASBA process by providing the details of the relevant ASBA Accounts. However, QIBs and Non Institutional Bidders must mandatorily Bid through the ASBA process. Specific attention is invited to the section titled "Issue Procedure" on page 525.

RISKS IN RELATION TO FIRST ISSUE

This being the first public issue of the Issuer, there is no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10 each and the Floor Price is [●] times of the face value and the Cap Price is [●] times of the face value. The Issue Price as determined and justified by our Company in consultation with the Book Running Lead Managers, as stated in the section titled "Basis for Issue Price" on page 116 should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" on page 13.

ISSUER'S AND THE SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and this Issue, which is material in the context of this Issue, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading, in any material respect. Further, the Selling Shareholder accepts responsibility for and confirms that the information relating to the Selling Shareholder contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect.

IPO GRADING

This Issue has been graded by ICRA Limited, a SEBI registered credit rating agency, and has been assigned "IPO Grade 4", indicating above-average fundamentals vide their letter dated April 12, 2012. The IPO grading is assigned on a five point scale from 1 to 5, with "IPO Grade 5" indicating strong fundamentals and "IPO Grade 1" indicating poor fundamentals. For more information on IPO grading, see the sections titled "General Information", "Other Regulatory and Statutory Disclosures" and "Material Contracts and Documents for Inspection" on pages 74, 506 and 569 respectively.

LISTING ARRANGEMENT

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the NSE and the BSE. Our Company has received in-principle approvals from the NSE and the BSE for listing of the Equity Shares pursuant to their letters dated October 24, 2011 and November 4, 2011, respectively. For the purposes of this Issue, the NSE shall be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE ISSUE
Standard Chartered Securities (India) Limited 1st Floor, Standard Chartered Tower 201B/1, Western Express Highway Goregaon (E), Mumbai 400 063, India. Telephone: +91 22 4205 6117 Facsimile: +91 22 6115 4899 Email ID: smfl_ipo@sc.com Website: www. standardcharteredsecurities.co.in Investor Grievance ID: investor@sc.com Contact Person: Rohan Saraf SEBI Registration Number: INM000011542	**J.P. Morgan India Private Limited*** J.P. Morgan Tower Off C.S.T Road, Kalina, Santacruz (E) Mumbai 400 098, India. Telephone: +91 22 6157 3000 Facsimile +91 22 6157 3911 Email ID: smfl_ipo@jpmorgan.com Website: www.jpmipl.com Investor Grievance ID: investorsmb.jpmipl@jpmorgan.com Contact Person : Rahul Bajaj SEBI Registration Number: INM000002970	**Link Intime India Private Limited** C-13, Pannalal Silk Mills Compound L.B.S. Marg, Bhandup (West) Mumbai 400 078 Maharashtra, India Telephone: +91 22 2596 0320 Facsimile: +91 22 2596 0329 E-mail: sml.ipo@linkintime.co.in Investor Grievance ID: sml.ipo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Sanjog Sud SEBI Registration No.: INR000004058

BID/ISSUE PROGRAMME**

BID OPENING DATE: WEDNESDAY, MAY 2, 2012	BID CLOSING DATE: FRIDAY, MAY 4, 2012

* *The SEBI registration of J.P. Morgan India Private Limited was valid up to October 31, 2011. An application for grant of certificate of permanent registration in the prescribed manner has been made by J.P. Morgan India Private Limited on July 29, 2011, to SEBI, three months before the expiry of the period of the certificate as required under Regulation 8A(1) of the SEBI Merchant Bankers Regulations. The approval from SEBI is currently awaited.*

** *Our Company may consider participation by Anchor Investors. The Anchor Investors shall Bid during the Anchor Investor Bidding Period, i.e., one Working Day prior to the Bid Opening Date.*

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, all references in this Red Herring Prospectus to "our Company" or to "SMFL" or "the Issuer" are to Samvardhana Motherson Finance Limited, a public limited company incorporated under the Companies Act and all references in this Red Herring Prospectus to "we" or "us" or "our" are to our Company, the Subsidiaries, the Joint Ventures and Associate Company, on a consolidated basis.

Unless the context otherwise indicates, requires or implies, the following terms shall have the meanings set forth below in this Red Herring Prospectus. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

Company Related Terms

Term	Description
"Articles" or "Articles of Association" or "AoA"	The articles of association of our Company, as amended.
Associate Company	Motherson Air Travel Agencies Limited.
Auditors	The statutory auditors of our Company, being Price Waterhouse, Chartered Accountants.
Audit Committee	The audit committee of our Board of Directors.
"Board" or "Board of Directors" or "our Board"	The board of directors of our Company, as duly constituted from time to time including any committees thereof.
Corporate Office	The corporate office of our Company, located at C-1, A&B, Sector 1, Noida, Gautam Budh Nagar, Uttar Pradesh 201 301, India.
Director(s)	Unless the context requires otherwise, the director(s) on our Board of Directors.
Group Companies	The companies, firms, ventures, etc. promoted by our Promoters, as described in the section titled "Group Companies" on page 231, irrespective of whether such entities are covered under section 370 (1B) of the Companies Act or not.
Indian Material Entities	Kyungshin Industrial Motherson Limited, SMR Automotive Systems India Limited and Motherson Sumi Systems Limited.
IPO Committee	The IPO committee of our Board of Directors.
Joint Ventures	Entities described as joint ventures of our Company in the section titled "History and certain Corporate Matters- Joint Ventures of our Company" on page 181.
Listing Agreements	The equity listing agreements to be entered into by our Company with the Stock Exchanges.
"Memorandum" or "Memorandum of Association" or "MoA"	The memorandum of association of our Company, as amended.
Other Consolidated Entities	Entities described in the section titled "History and Certain Corporate Matters- Other Consolidated Entities" on page 181.
Promoters	The promoters of our Company, Vivek Chaand Sehgal, Renu Sehgal and Laksh Vaaman Sehgal.
Promoter Group	The persons and entities constituting our promoter group pursuant to Regulation 2(1)(zb) of the SEBI Regulations and as set out in the section titled "Our Promoters and Promoter Group" on page 228.
Registered Office	The registered office of our Company, located at 2nd Floor, F-7, Block B-1, Mohan Cooperative, Industrial Estate Mathura Road, Delhi 110 044, India.
"Selling Shareholder" or "Radha Rani Holdings"	Radha Rani Holdings Pte Ltd
Shareholders'/Investors' Grievances Committee	The shareholders'/investors' grievances committee of our Board of Directors.
Subsidiaries	The subsidiaries of our Company, as described in the section titled "History and Corporate Structure – Subsidiaries of our Company" on page 180.

Issue Related Terms

Term	Description
"Allot" or "Allotment" or "Allotted"	The allotment of Equity Shares pursuant to the Fresh Issue and transfer of the Equity

Term	Description
	Shares offered by the Selling Shareholder pursuant to the Offer for Sale to the successful Bidders.
Allotment Advice	The note or advice or intimation of Allotment of the Equity Shares sent to the successful Bidders except Anchor Investors, who have been or are to be Allotted the Equity Shares after the discovery of the Issue Price in accordance with the Book Building Process including any revisions, thereof.
Allottee	A successful Bidder to whom Allotment is made.
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion, who has Bid for an amount of at least ₹ 100 million.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated in terms of the Red Herring Prospectus to the Anchor Investors, which will be decided by our Company, in consultation with the Book Running Lead Managers, prior to the Bid Opening Date.
Anchor Investor Bidding Date	The day one Working Day prior to the Bid Opening Date on which the Anchor Investors shall be eligible to Bid.
Anchor Investor Issue Price	The price at which Allotment will be made to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which shall be higher than or equal to the Issue Price, but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company in consultation with the Book Running Lead Managers.
Anchor Investor Pay-in Date	In case of the Anchor Investor Issue Price being higher than the Anchor Investor Allocation Price, the date as mentioned in the CAN.
Anchor Investor Portion	The portion of the Net Issue available for allocation to Anchor Investors on a discretionary basis at the Anchor Investor Allocation Price, in accordance with the SEBI Regulations, being up to 30% of the QIB Portion or up to [●] Equity Shares.
"ASBA" or "Application Supported by Blocked Amount"	The application (whether physical or electronic) used by an ASBA Bidder to make a Bid authorizing the SCSB to block the Bid Amount in the specified bank account maintained with such SCSB.
ASBA Account	Account maintained with an SCSB which will be blocked by such SCSB to the extent of the Bid Amount of an ASBA Bidder.
ASBA Bidder	Any Bidder, other than Anchor Investors, in this Issue who Bids through ASBA.
Basis of Allotment	The basis on which the Equity Shares will be Allotted as described in "Issue Procedure-Basis of Allotment" on page 556.
Bankers to the Issue	Axis Bank Limited.
Bid	An indication by a Bidder to make an offer during the Anchor Investor Bidding Period or Bidding Period, pursuant to submission of a Bid cum Application Form to subscribe for Equity Shares, at a price within the Price Band, including all revisions and modifications thereto, in terms of the Red Herring Prospectus.
Bidder	A prospective investor who makes a Bid, and unless otherwise stated or implied, includes an ASBA Bidder and Anchor Investor.
Bidding	The process of making a Bid.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder on submission of a Bid in the Issue.
Bid cum Application Form	The form in terms of which a Bidder makes a Bid in terms of the Red Herring Prospectus which will be considered as an application for Allotment.
Bid Closing Date	Except in relation to Anchor Investors, the date after which the Syndicate and the SCSBs will not accept any Bids, and which shall be notified in all editions of Financial Express (a widely circulated English national daily newspaper) and all editions of Jansatta (a widely circulated Hindi national daily newspaper) and in case of any revision, the extended Bid Closing Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI Regulations.
Bid Opening Date	Except in relation to Anchor Investors, the date on which the Syndicate and the SCSBs shall start accepting Bids, and which shall be the date notified in all editions of Financial Express (a widely circulated English national daily newspaper) and all editions of Jansatta (a widely circulated Hindi national daily newspaper), each with wide circulation and in case of any revision, the extended Bid Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI Regulations.
Bidding Centre	A centre for acceptance of the Bid cum Application Form.
Bidding Period	The period between the Bid Opening Date and the Bid Closing Date (in either case inclusive of such date and the Bid Opening Date) during which Bidders, other than Anchor Investors, can submit their Bids including all revisions thereof. Provided however that the Bidding shall be kept open for a minimum of three Working Days for all

Term	Description
	categories of Bidders, other than Anchor Investors.
Book Building Process	The book building process as described in Part A of Schedule XI of the SEBI Regulations.
"Book Running Lead Managers" or "BRLMs" or "Lead Merchant Bankers"	Book running lead managers to this Issue, being Standard Chartered and J.P. Morgan.
CAN	The note or advice or intimation of allocation of the Equity Shares sent to the Anchor Investors who have been allocated Equity Shares after discovery of the Anchor Investor Allocation Price, including any revisions thereof.
Cap Price	The higher end of the Price Band, in this case being ₹ [●], and any revisions thereof, above which the Issue Price will not be finalised and above which no Bids will be accepted.
Controlling Branches	Such branches of the SCSBs which co-ordinate Bids by the ASBA Bidders with the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1334742653596.html or at such other website as may be prescribed by SEBI from time to time.
Cut-Off Price	Any price within the Price Band determined by our Company, in consultation with the Book Running Lead Managers, at which only the Retail Individual Bidders are entitled to Bid, for Equity Shares of an amount not exceeding ₹ 200,000.
Demographic Details	The demographic details of the Bidders such as their address, PAN, occupation and bank account details.
Depository	A depository registered with the SEBI under the Depositories Act.
Depositories Act	The Depositories Act, 1996.
"Depository Participant" or "DP"	A depository participant registered with the SEBI under the Depositories Act.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Bids and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1334742653596.html or at such other website as may be prescribed by SEBI from time to time.
Designated Date	The date on which the Escrow Collection Banks transfers the funds from the Escrow Accounts and the Registrar to the Issue issues instruction to SCSBs for transfer of funds from the ASBA Accounts to the Public Issue Accounts in terms of the Red Herring Prospectus.
"Designated Stock Exchange" or "DSE"	National Stock Exchange of India Limited.
"Draft Red Herring Prospectus" or "DRHP"	The draft red herring prospectus dated September 28, 2011 filed with SEBI, prepared and issued by our Company in accordance with the SEBI Regulations.
Eligible Shareholders	Retail individual shareholders of MSSL, as on April 20, 2012, who are individuals resident in India and physically present in India on the date of submission of the Bid cum Application Form and who Bid for an amount not exceeding ₹ 200,000.
Equity Shares	The equity shares of our Company of face value of ₹ 10 each.
Escrow Account(s)	Accounts opened for this Issue to which cheques or drafts are issued by Bidders (excluding ASBA Bidders) in respect of the Bid Amount.
Escrow Agreement	An agreement dated to be entered into among our Company, the Selling Shareholder, the Registrar to the Issue, the Escrow Collection Banks, the Refund Bank(s), the Book Running Lead Managers for the collection of Bid Amounts and for remitting refunds, if any, to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof.
Escrow Collection Banks	The banks which are clearing members and registered with SEBI, in this case being Axis Bank Limited, DBS Bank Limited, HDFC Bank Limited, ICICI Bank Limited, Kotak Mahindra Bank Limited and Standard Chartered Bank.
Floor Price	The lower end of the Price Band below which no Bids will be accepted, in this case being ₹ [●], and any revisions thereof.
Fresh Issue	The issue of [●] Equity Shares aggregating ₹ 13,440 million[*], to be offered by our Company for subscription pursuant to the terms of the Red Herring Prospectus. ——— [*] *Subject to such revisions as permissible under the SEBI Regulations*
IPO Grading Agency	ICRA Limited, the credit rating agency appointed by our Company for grading this Issue.
Issue	Public issue of [●] Equity Shares aggregating ₹ 16,650 million[*] consisting of the Fresh Issue and the Offer of Sale. It comprises of a Net Issue to the public aggregating to ₹ [●] million and a reservation of up to 5% of the Issue Size constituting [●] Equity Shares for subscription by the Eligible Shareholders.

Term	Description
	——————— [*] *Subject to such revisions as permissible under the SEBI Regulations*
Issue Agreement	The issue agreement entered into on September 28, 2011 between our Company and the Selling Shareholder, and the Book Running Lead Managers.
Issue Price	The price at which Allotment will be made, as determined by our Company in consultation with the Book Running Lead Managers.
Issue Proceeds	The proceeds of this Issue that is available to our Company and the Selling Shareholder.
J.P. Morgan	J.P. Morgan India Private Limited.
Mutual Fund Portion	5% of the Net QIB Portion, available for allocation to Mutual Funds out of the Net QIB Portion on a proportionate basis.
Net Issue	The Issue less the Shareholder Reservation Portion.
Net Proceeds	The Issue Proceeds less the amount to be raised with respect to the Offer for Sale and less our Company's share of the Issue expenses.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors.
Non-Institutional Bidders	All Bidders (including sub-accounts, of FIIs registered with SEBI, which are foreign corporates or foreign individuals) that are not Qualified Institutional Buyers or Retail Individual Bidders and who have Bid for an amount more than ₹ 200,000.
Non-Institutional Portion	The portion of the Net Issue being not less than 15% of the Net Issue consisting of [●] Equity Shares, available for allocation to Non-Institutional Bidders, on a proportionate basis.
Offer for Sale	The offer for sale of [●] Equity Shares aggregating ₹ 3,210.00[*] million by the Selling Shareholder. ——————— [*] *Subject to such revisions as permissible under the SEBI Regulations*
Price Band	The price band between the Floor Price and Cap Price, including any revisions thereof and advertised in all editions of Financial Express (a widely circulated English national daily newspaper) and all editions of Jansatta (a widely circulated Hindi national daily newspaper), at least two Working Days prior to the Bid Opening Date.
Pricing Date	The date on which the Issue Price is decided by our Company in consultation with the Book Running Lead Managers.
Prospectus	The prospectus of our Company to be filed with the RoC for this Issue after the Pricing Date, in accordance with Sections 56, 60 and 60B of the Companies Act and the SEBI Regulations.
Public Issue Account	A bank account opened with the Bankers to the Issue by our Company under Section 73 of the Companies Act to receive money from the Escrow Accounts on the Designated Date and where the funds shall be transferred by the SCSBs from the ASBA Accounts.
"QIBs" or "Qualified Institutional Buyers"	A qualified institutional buyer, as defined under Regulation 2 (1) (zd)[*] of the SEBI Regulations, provided that, with respect to this Issue, this term shall not include FVCIs, and multilateral and bilateral financial institutions. [*] *Regulation 2 (1) (zd) of the SEBI Regulations defines qualified institutional buyer to mean public financial institutions as defined in Section 4A of the Companies Act, FIIs and Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals), VCFs, FVCIs, Mutual Funds, multilateral and bilateral financial institutions, scheduled commercial banks, state industrial development corporations, insurance companies registered with the IRDA, provident funds and pension funds with a minimum corpus of ₹ 250 million, the NIF, insurance funds set up and managed by the army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, Government of India.*
QIB Portion	The portion of the Net Issue being not more than 50% of the Net Issue or [●] Equity Shares available for allocation to QIBs (including the Anchor Investor) on a proportionate basis.
"Red Herring Prospectus" or "RHP"	This red herring prospectus issued by our Company in accordance with Sections 56, 60 and 60B of the Companies Act and the SEBI Regulations.
Refund Account(s)	The account(s) opened by our Company with the Refund Bank(s), from which refunds of the whole or part of the Bid Amounts (excluding for the ASBA Bidders), if any, shall be made.
Refunds through electronic transfer of funds	Refunds through NECS, NEFT, direct credit or RTGS, as applicable.
Refund Banker(s)	The Banker(s) to the Issue, with whom the Refund Account(s) will be opened, in this case being ICICI Bank Limited.

Term	Description
"Registrar" or "Registrar to the Issue"	Link Intime India Private Limited.
Retail Individual Bidders	Bidders (including HUFs), who have Bid for an amount less than or equal to ₹ 200,000 in any of the bidding options in the Issue.
Retail Portion	The portion of the Net Issue being not less than 35% of the Net Issue, consisting of [●] Equity Shares, available for allocation to Retail Individual Bidders on a proportionate basis.
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable.
"Self Certified Syndicate Banks" or "SCSBs"	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account in accordance with the SEBI Regulations and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1334742653596.html or at such other website as may be prescribed by SEBI from time to time.
Shareholder Reservation Portion	Up to 5% of the Issue Size constituting [●] Equity Shares available for allocation to Eligible Shareholders under this Issue.
Standard Chartered	Standard Chartered Securities (India) Limited.
Stock Exchanges	The NSE and the BSE.
Syndicate ASBA Bidding Locations	Bidding centres at Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat where the members of the Syndicate shall accept ASBA Bids.
Syndicate Agreement	The agreement to be entered by our Company, the Selling Shareholder and the members of the Syndicate, in relation to the collection of Bids (excluding Bids from the ASBA Bidders).
Syndicate SCSB Branches	In relation to ASBA Bids submitted to a member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Bidding Locations named by the SCSBs to receive deposits of Bids cum Application Forms from the members of the Syndicate, and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1334742780816.html or at such other website as may be prescribed by SEBI from time to time.
Syndicate/members of the Syndicate	The Book Running Lead Managers.
"Transaction Registration Slip" or "TRS"	The slip or document issued by any of the members of the Syndicate, or the SCSBs, as the case may be, to a Bidder upon demand as proof of registration of the Bid.
Underwriters	The Book Running Lead Managers.
Underwriting Agreement	The agreement to be entered into between our Company and the Selling Shareholder, and the Underwriters on or immediately after the Pricing Date.
Working Days	All days on which banks in Mumbai are open for business except Sunday and any bank holiday, provided however during the Bidding Period and the Anchor Investor Bidding Date, a Working Day means all days on which banks in Mumbai are open for business and shall not include a Saturday, Sunday or a bank holiday.

Conventional/General Terms, Abbreviations and Reference to Other Business Entities

Abbreviation	Full Form
AGM	Annual General Meeting.
AI	Anchor Investor.
Air Act	Air (Prevention and Control of Pollution) Act, 1981.
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India.
Bonus Act	Payment of Bonus Act, 1965.
BSE	BSE Limited.
CAGR	Compound Annual Growth Rate.
CDSL	Central Depository Services (India) Limited.
Client ID	Beneficiary account number.
Cess Act	Water (Prevention and Control of Pollution) Cess Act, 1977.
CIC	Core Investment Company.
CIC Directions	Core Investment Companies (Reserve Bank) Directions, 2011.
CIC-ND-SI	Systemically important core investment company.

Abbreviation	Full Form
CLRA	Contract Labour (Regulation and Abolition) Act, 1970.
Companies Act	Companies Act, 1956.
Compensation Act	Employees' Compensation Act, 1923.
Competition Act	Competition Act, 2002.
Consolidated FDI Circular	Circular 1 of 2012 issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India.
DIN	Directors Identification Number.
DP ID	Depository Participant's Identity.
EGM	Extraordinary General Meeting.
Environment Act	Environment Protection Act, 1986.
EPS	Earnings Per Share.
ESI Act	Employees' State Insurance Act, 1948.
Factories Act	Factories Act, 1948.
FCNR Account	Foreign Currency Non-Resident Account.
FDI	Foreign Direct Investment, as laid down in the Consolidated FDI Policy dated April 1, 2011.
FEMA	Foreign Exchange Management Act, 1999, together with rules and regulations framed thereunder.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
"fiscal" or "Financial Year" or "FY"	Period of twelve months ended March 31 of that particular year, unless otherwise stated.
FII	Foreign Institutional Investors, as defined under the FII Regulations and registered with SEBI under applicable laws in India.
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995.
FIPB	Foreign Investment Promotion Board, GoI.
FMCEL	Fritzmeier Motherson Cabin Engineering Limited.
Foreign Investment Master Circular	Master circular no. 15/2011-12 dated July 1, 2011 on 'Foreign Investment in India' issued by the RBI.
FVCI	Foreign venture capital investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
"GoI" or "Government of India" or "Central Government"	The Government of India.
Gratuity Act	Payment of Gratuity Act, 1972.
Hazardous Wastes Rules	Hazardous Wastes (Management and Handling) Rules, 1989.
HUF	Hindu Undivided Family.
IFRS	International Financial Reporting Standards.
Indian GAAP	Generally accepted accounting principles in India.
IPO	Initial Public Offer.
IRDA	Insurance Regulatory and Development Authority.
IT	Information Technology.
IT Act	Income Tax Act, 1961.
KIML	Kyungshin Industrial Motherson Limited, joint venture of MSSL.
Ltd.	Limited.
MAT	Minimum Alternate Tax.
MATS	Motherson Advanced Tooling Solutions Limited, a Subsidiary.
MB Act	Maternity Benefit Act, 1961.
MCA	Ministry of Corporate Affairs, GoI.
MSSL	Motherson Sumi Systems Limited, joint venture of our Company with Sumitomo Wiring Systems Limited.
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
MW Act	Minimum Wages Act, 1948.
N.A.	Not Applicable.
National Auto Policy	National Auto Policy, 2002.
"NR" or "Non Resident"	A person resident outside India, as defined under FEMA, including an Eligible NRI and an FII.
NAV	Net Asset Value.

Abbreviation	Full Form
NECS	National Electronic Clearing System.
NEFT	National Electronic Funds Transfer.
NIF	National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India.
No.	Number.
NRE Account	Non-Resident (External) Rupee Account.
NRI	A person resident outside India, as defined under FEMA and who is a citizen of India or a person of Indian origin, such term as defined under the Foreign Exchange Management (Deposit) Regulations, 2000.
NRO Account	Non-Resident Ordinary Rupee Account.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
OCBs	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under FEMA.
Overseas Investment Circular	Master Circular on Direct Investment by Residents in Joint Venture (JV)/Wholly Owned Subsidiary (WOS) Abroad (No. 11/2011-12) dated July 1, 2011 issued by the RBI.
p.a.	Per annum.
P.O.	Post Office.
P/E Ratio	Price/Earnings Ratio.
PAN	Permanent Account Number allotted under the IT Act.
PAT	Profit After Tax.
Patents Act	Patents Act, 1970.
PCB	Pollution Control Board.
PLR	Prime Lending Rate.
Pvt.	Private.
QFI	A person resident in a country that is compliant with financial action task force standards and that is a signatory to international organisation of securities commission's multilateral memorandum of understanding, provided that (i) such person is not resident in India, and (ii) such person is not registered with SEBI as a FII or a Sub-account. Explanation – (1) the term "Person" shall carry the same meaning as under section 2 (31) of the IT Act; (2) the phrase "resident in India" shall carry the same meaning as under section 2 (31) of the IT Act; (3) "resident" in a country, other than India, shall mean resident as per the direct tax laws of that country. For further details, see SEBI circular number CIR/IMD/FII&C/3/2012 dated January 13, 2012.
QPs	Qualified purchasers as defined in section 2 (a) (51) of the U.S. Investment Company Act.
R&D Act	Research and Development Cess Act, 1986.
"RoC" or "Registrar of Companies"	Registrar of Companies, National Capital Territory of Delhi and Haryana.
"₹" or "Rupees" or "Rs."	Indian Rupees.
RBI	Reserve Bank of India.
Regulation S	Regulation S under the Securities Act.
RTGS	Real Time Gross Settlement.
Rule 144A	Rule 144A under the Securities Act.
SAARC	South Asian Association of Regional Cooperation.
SCRA	Securities Contracts (Regulation) Act, 1956.
SCRR	Securities Contracts (Regulation) Rules, 1957.
SEBI	The Securities and Exchange Board of India established under the SEBI Act.

Abbreviation	Full Form
SEBI Act	The Securities and Exchange Board of India Act, 1992.
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992.
SEBI Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
Securities Act	(U.S.) Securities Act of 1933.
SIA	Secretariat for Industrial Assistance.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985.
SMR	Samvardhana Motherson Reflectec Group Holdings Limited.
SMR India	SMR Automotive Systems India Limited.
Sq. ft.	Square foot.
Sq. mt.	Square metre.
State government	The government of a state of Republic of India.
Sub-Account	Any person resident outside India, on whose behalf investments are proposed to be made in India by a FII and who is registered as a sub-account under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995.
Takeover Code	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
TAN	Tax deduction account number allotted under the IT Act.
"U.S." or "US" or "U.S.A" or "United States"	The United States of America, together with its territories and possessions.
U.S. GAAP	Generally accepted accounting principles in the United States of America.
U.S. Investment Company Act	(U.S.) Investment Company Act of 1940.
VCFs	Venture Capital Funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996.
Water Act	Water (Prevention and Control of Pollution) Act, 1974.

Industry/ Project Related Terms, Definitions and Abbreviations

Term	Description
ACMA	Auto Component Manufacturers Association.
CKM	Calsonic Kansei Motherson Auto Products Limited.
CRISIL	CRISIL Limited.
EC glass	Electro-chromatic glass.
EV	Electric vehicles.
Frost & Sullivan Report	Independent Market Research on the "Global Automotive Rear View Mirrors Market" dated June 30, 2011, prepared by Frost & Sullivan.
Frost & Sullivan	Frost & Sullivan (S) Pte Ltd.
GST	Goods and Services Tax.
HVAC systems	Heating, ventilation and air-conditioning systems.
IT Services	Information technology services.
LCC	Low-cost car.
LV	Light vehicles.
MIND	MothersonSumi Infotech & Designs Limited.
MMM	Magneti Marelli Motherson Auto System Limited.
MOZAR	Motherson Zanotti Refrigeration System Limited.
MPV	Multi-purpose vehicle.
OEMs	Original Equipment Manufacturers.
Peguform GmbH	Old name of the entity SMP Deutschland GmbH.
Peguform Group	SMP Deutschland GmbH (formerly, Peguform GmbH), Peguform Iberica S.L. and their respective subsidiaries and joint ventures.
SMR	Samvardhana Motherson Reflectec Group Holdings Limited.
Sojitz SHA	Shareholders' agreement dated March 23, 2009 entered into among the Company, Sojitz, Vivek Chaand Sehgal and Laksh Vaaman Sehgal.
Sojitz	Sojitz Corporation.
SUV	Sports utility vehicle.
Visiocorp	Visiocorp Plc.
Wethje Companies	Wethje Carbon Composite GmbH and Wethje Entwicklungs GmbH.

The words and expressions used in this Red Herring Prospectus but not defined herein shall have the same meaning as is assigned to such words and expressions under the SEBI Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

In addition to the foregoing, terms in the sections titled "History and Certain Corporate Matters", "Our Promoters and Promoter Group" and "Group Companies" on pages 175, 228 and 231, respectively, also have the meanings given to such terms in these respective sections.

Notwithstanding the foregoing, terms in the sections titled, "Statement of Tax Benefits", "Financial Statements" and "Main Provisions of the Articles of Association" on pages 120, 243 and 563, respectively, have the meanings given to such terms in these respective sections.

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

Currency of Presentation

All references to "Rupees" or "₹" or "Rs." are to Indian Rupees, the official currency of the Republic of India. All references to "US$" or "U.S. Dollars" or "USD" are to United States Dollars, the official currency of the United States of America. All references to "Euro" or "€ " or "EUR" are to the Euro, the single currency of the participating member states in the third stage of the European Economic and Monetary Union of the Treaty establishing the European Community, as amended. All references to "SGD" or "Singapore Dollars" are to Singapore Dollars, the official currency of the Republic of Singapore.

This Red Herring Prospectus contains conversions of certain U.S. Dollar, Euros and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI Regulations. These conversions should not be construed as a representation that those U.S. Dollar, Euro or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

Unless otherwise stated, the exchange rates referred to for the purpose of conversion of foreign currency amounts into Indian Rupee amounts in this Red Herring Prospectus are as follows:

Currency	Exchange Rate
1 USD	49.5325*
1 Euro	64.6569*
1 GBP	77.9493*
1 SGD	39.2539**
1 AUD	52.5733**
1 BRL	28.3120**

* *Source: RBI reference rates as of February 1, 2012*
** *Source: Bloomberg reference rate of February 1, 2012*

The exchange rates referred to for the purpose of conversion of foreign currency amounts into Indian Rupee amounts in the sections titled "Objects of the Issue" and "Financial Indebtedness" have been stated in the said sections.

Financial Data

Unless stated otherwise, the financial information in this Red Herring Prospectus is derived from our restated standalone and consolidated financial information as of and for the fiscal years ended March 31, 2007, 2008, 2009, 2010 and 2011, and for the nine month interim period ended December 31, 2011 and the related notes and annexures thereto included elsewhere in this Red Herring Prospectus, which have been prepared in accordance with the Companies Act and the SEBI Regulations.

Certain financial information required under the SEBI Regulations in relation to entities in which we have acquired an equity shareholding during the nine month interim period ended December 31, 2011 is included elsewhere in this Red Herring Prospectus. In addition, pro forma financial information in relation to these entities in which we have acquired an equity shareholding during the nine month interim period ended December 31, 2011 is included elsewhere in this Red Herring Prospectus.

The Company's fiscal year commences on April 1 and ends on March 31 of the following year. Accordingly, all references to a particular fiscal are to the 12-month period ended March 31 of that year, unless otherwise specified.

All the numbers in this document have been presented in millions or in whole numbers where the numbers have been too small to present in millions, unless stated otherwise. In this Red Herring Prospectus, any discrepancies in any table, graphs or charts between the totals and the sum of the amounts listed are due to rounding off.

We prepare our audited standalone and consolidated financial statements in accordance with Indian GAAP, which differs in significant respects from IFRS and U.S. GAAP. Our restated standalone and consolidated financial information as of and for the fiscal years ended March 31, 2007, 2008, 2009, 2010 and 2011, and for the nine month interim period ended December 31, 2011 has been prepared on the basis of our audited standalone and consolidated financial statements, restated in accordance with the SEBI Regulations. Accordingly, the degree to which the financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI Regulations on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited. Although we have included a summary of the differences between Indian GAAP and IFRS elsewhere in this Red Herring Prospectus, we have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those under U.S. GAAP or IFRS and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in the sections titled "Risk Factors", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 13, 146 and 464, respectively, and elsewhere in this Red Herring Prospectus, unless otherwise indicated, have been calculated on the basis of our restated consolidated financial information prepared in accordance with the Companies Act and the SEBI Regulations.

Definitions

For definitions, see the section titled "Definitions and Abbreviations" on page 1. In the section titled "Main Provisions of Articles of Association" on page 563, defined terms have the meaning given to such terms in the Articles of Association.

Market and Industry Data

Unless stated otherwise, the industry and market data and forecasts used in this Red Herring Prospectus has generally been obtained or derived from industry publications and sources. These publications typically state that the information contained therein has been obtained from sources believed to be reliable but their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made based on such information. Although we believe that industry data used in this Red Herring Prospectus is reliable, it has not been verified by us or the BRLMs or any other person, connected with the Issue.

The extent to which the market and industry data used in this Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

FORWARD-LOOKING STATEMENTS

All statements contained in this Red Herring Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. Similarly, statements that describe our objectives, strategies, plans or goals are also forward looking statements. Investors can generally identify forward-looking statements by the use of terminology such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "may", "will", "will continue", "will pursue", "contemplate", "future", "goal", "propose", "will likely result", "will seek to" or other words or phrases of similar import. All forward looking statements (whether made by us or any third party) are predictions and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

Further, the actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries in which we operate, including the automotive industry in India and overseas, and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and overseas which have an impact on our business activities or investments, the monetary and fiscal policies of India and other jurisdictions in which we operate, inflation, deflation, unanticipated volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industries and incidence of any natural calamities and/or acts of violence.

Important factors that could cause actual results to differ materially from our expectations include, among others:

- other Consolidated Entities conditions affecting the global automotive industry, which has witnessed fluctuations in recent years;
- our response to global economic conditions and our ability to manage complex global operations in multiple countries;
- the performance of our Subsidiaries, Joint Ventures and other Consolidated Entities through which we undertake or conduct all our operations;
- our ability to achieve and manage our growth, whether through internal growth or strategic acquisitions;
- our ability to identify and understand evolving industry trends and preferences and develop new products to meet our customers' demands; and
- changes in the regulatory regime applicable to our operations.

For a further discussion of factors that could cause our actual results to differ, see the sections titled "Risk Factors", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 13, 146 and 464, respectively. By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Forward looking statements speak only as of the date of this Red Herring Prospectus. None of the Company, the Selling Shareholder, the Directors, the officers, any Underwriter, or any of their respective affiliates or associates have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI requirements, the Company, the Selling Shareholder and the Book Running Lead Managers will ensure that investors in India are informed of material developments until such time as the grant of listing and trading approvals by the Stock Exchanges.

SECTION II – RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should carefully consider all of the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. If any, or some combination, of the following risks actually occur, our business, prospects, results of operations, cash flows and financial condition could suffer, the trading price of our Equity Shares could decline and you may lose all or part of your investment. Any prospective investor in the Equity Shares should pay particular attention to the fact that we are governed, in India, by a statutory and regulatory environment which may be significantly different from that which prevails in the United States and other countries.

We have described the risks and uncertainties that our management believes are material, but these risks and uncertainties may not be the only ones we face. Additional risks and uncertainties, including those we are not aware of or deem immaterial, may also result in decreased revenues, increased expenses, or other events that could result in a decline in the value of the Equity Shares. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless otherwise stated, the financial information presented in this section is derived from our restated consolidated financial information prepared in accordance with the Companies Act and the SEBI Regulations.

Unless otherwise stated, in this section, references to the "Company" are to SMFL and references to "we", "our" or "us" are to the Company, its Subsidiaries, Joint Ventures and Other Consolidated Entities. "Other Consolidated Entities" includes SMFL's Associate Company and the subsidiaries, joint ventures and associates of MSSL which are consolidated in the financial statements of SMFL.

RISKS RELATING TO THE COMPANY

Internal Risks

1. There is outstanding litigation against the Directors, our Subsidiaries, our Group Companies, Joint Ventures and Other Consolidated Entities.

The Directors, our Subsidiaries, our Group Companies, Joint Ventures and Other Consolidated Entities are involved in certain legal proceedings. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers, and appellate authorities. In the event of rulings against the Directors, our Subsidiaries, our Group Companies, Joint Ventures and Other Consolidated Entities 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.

A summary of the pending proceedings involving the Directors, our Subsidiaries, our Group Companies and Material Litigation against our Joint Ventures and Other Consolidated Entities is provided below:

Litigation against the Directors

Satya Pal Talwar

S. No.	Year	Nature of the cases/ claims	Court	Probable Penalty if found guilty
1.	2011	Criminal Proceedings under sections 13(1)(d) and 13(2) of the Prevention of Corruption Act, and sections 166, 167, 409, 420, 34 and 120B of the Indian Penal Code	Sessions Court, Greater Mumbai	The investigation has been completed and the Anti-Corruption Bureau has submitted its report to Sessions Court, Greater Mumbai. It has been stated in the report that no case is made out against Housing Development and Infrastructure Limited and its directors.

Litigation involving our Subsidiaries

Motherson Advanced Tooling Solutions Limited

S. No.	Year	Nature of the cases/ claims	Name of Opposite Party	Amount involved (₹ in million)/Relief sought
1.	2011	Civil suit against employee seeking damages for violation of terms and conditions of service bond	Chinmay N. Khot	0.1
2.	2005	Complaint filed by an employee alleging unfair labour practices	B.P. Dubile	*Direction to cease and desist from unfair labour practices and parity in pay with co-workers*
Total				0.1

Motherson Auto Solutions Limited

S. No.	Year	Nature of the cases/ claims	Name of Opposite Party	Amount involved (₹ in million) /Relief sought
1.	2007	Civil suit for partition	Rani, wife of Krishnan	2.14
Total				2.14

MothersonSumi Infotech & Designs Limited

S. No.	Year	Nature of the cases/ claims	Name of Opposite Party	Amount involved (₹ in million) /Relief sought
1.	2005	Suit for recovery of bond amount	Charu Singhal	0.1
2.	2005	Suit for recovery of bond amount	Parul Vidyarthi	0.1
3.	2009	Complaint for dishonor of cheque	M/s. Tele Spectral Network Private Limited	2.69
Total				2.89

Litigation involving our Group Companies

Systematic Conscom Limited

S. No.	Year	Nature of the cases/ claims	Name of Opposite Party	Amount involved (₹ in million) /Relief sought
1.	2009	Commercial Tax	State of Uttar Pradesh	1.76
Total				1.76

Radha Rani Holdings Pte Ltd

S. No.	Year	Nature of the cases/ claims	Name of Opposite Party	Amount involved (₹ in million) /Relief sought
1.	2008	Income Tax	Assistant Director, International Taxation, New Delhi	100
Total				100

Field Motor Limited

S. No.	Year	Nature of the cases/ claims	Name of Opposite Party	Amount involved (₹ in million) /Relief sought
1.	2007	Entry tax	Assistant Commissioner of Sales Tax, Cuttack	0.16
2.	2007	Sales tax	Assistant Commissioner of Sales Tax, Cuttack	4.25
3.	2011	Sales tax	Joint Commissioner of Sales Tax, Cuttack	1.63
4.	2009	Central excise	Deputy Commissioner of Central	0.44

S. No.	Year	Nature of the cases/ claims	Name of Opposite Party	Amount involved (₹ in million) /Relief sought
			Excise, Cuttack	
Total				6.48

Material Litigation involving our Joint Ventures

MSSL

S. No.	Year	Nature of the cases/ claims	Name of Opposite Party	Amount involved (₹ in million) /Relief sought
1.	2010	Excise	Commissioner of Central Excise, Noida	22.49
2.	2007	Excise	Commissioner of Central Excise, Noida	11.60
Total for Excise				**34.09**
3.	2010	Income Tax	Additional Commissioner of Income Tax, New Delhi	57.77
4.	2011	Value Added Tax and Central Sales Tax	Joint Commissioner (Corporate Circle), New Delhi	17.12
Total Material Litigation involving MSSL				108.98

Material Litigation involving Joint Ventures and Other Consolidated Entities

S. No.	Name of Entity	Year	Nature of the cases/ claims	Name of Opposite Party	Amount involved (₹ in million)
1.	SMR Automotive Mirror Systems Holding Deutschland GmbH	2011	Civil claim by former managing director seeking additional payment out of severance agreement	Mr. Bruhnke	31.04*
2.	SMP Productos Automotivos do Brasil Ltda ("**Peguform Brasil**")	2003	Suit challenging the imposition of tax on a symbolic currency exchange operation amounting	Brazilian National Treasury	10.79**
3.	Peguform Brasil	2008	Suit challenging non-payment of social contributions	Brazilian National Treasury	26.19**
4.	Peguform Brasil	2004	Suit in relation to an amount being covered under the tax forgiveness program "REFIS IV"	Brazilian National Treasury	23.20**
5.	Peguform Brasil	2004	Suit in relation to an amount being covered under the tax forgiveness program "REFIS IV"	Brazilian National Treasury	15.74**
6.	Peguform Brasil	2006	Suit in relation to damages for pain and suffering due to a labour accident	Ana Lucia Maciel Pilantil	16.99**
7.	Peguform Brasil	2011	Suit in relation to damages for pain and suffering due to a labour accident	Ana Martina Bilik	16.42**
8.	Peguform Brasil	2005	Suit in relation to claiming parity in salary and overtime	Andre Henriques Felippe Fonseca	56.96**
9.	Peguform Brasil	2011	Suit in relation to damages for pain and suffering due to a labour accident	Claudete Vieira da Silva	19.25**
10.	Peguform Brasil	2007	Suit in relation to damage for pain and suffering due to disease caused by labour activities and overtime dues	Denise Aparecida Legnani Barao	24.40**
11.	Peguform Brasil	2008	Suit in relation to damages for pain and suffering due to	Edison Eugenio Ribas dos Santos	11.24**

S. No.	Name of Entity	Year	Nature of the cases/ claims	Name of Opposite Party	Amount involved (₹ in million)
			labour accidents		
12.	Peguform Brasil	2011	Suit in relation to overtime dues, health hazard allowance, and damages for pain and suffering due to disease cased by a labour accident	Edson Coelho Barboza	36.80**
13.	Peguform Brasil	2006	Suit in relation to overtime dues and damages for pain and suffering due to disease caused by labour activities	Elenice Souza da Silva	109.43**
14.	Peguform Brasil	2006	Suit in relation to damages for pain and suffering due to disease caused by labour activities	Eliana dos Santos Fideleino	18.71**
15.	Peguform Brasil	2011	Suit in relation to penalty due to termination of temporary labour agreement, overtime dues, damages due to disease caused by labour activities and other claims	Eliane Coelho Barboza	16.70**
16.	Peguform Brasil	2009	Suit in relation to as overtime and damages for pain and suffering due to labour work and health hazard allowance	Emerson Francisco dos Santos	9.91**
17.	Peguform Brasil	2007	Suit in relation to health hazard allowance, overtime dues and damages for pain and suffering.	Fabricio Alves Tambolo	17.70**
18.	Peguform Brasil	2011	Suit in relation to dues from overtime, parity in salary, health hazard allowance, and damages for pain and suffering due to labour accident and racism.	Frank Higashi	24.07**
19.	Peguform Brasil	2009	Suit in relation to demanding parity in salary	Nilson Matias	19.99**
20.	Peguform Brasil	2008	Suit in relation to damages for pain and suffering due to labour accident	Paulo Rufino da Silva	17.04**
21.	Peguform Brasil	2011	Suit in relation to damages for pain and suffering due to labour accident	Paulo Francisco Martins da Silva	26.47**
22.	Peguform Brasil	2009	Suit for dues from overtime and parity in salary	Joao Pedro Siqueira Moreira	22.08**
23.	Peguform Brasil	2011	Suit for damages for pain and suffering due to disease caused by labour activities	Jose Humberto Barboza Santos	54.78**
24.	Peguform Brasil	2007	Suit for dues from overtime, health hazard allowance, and damages for pain and suffering due to labour accident	Jose Pedro Goncalves	24.52**
25.	Peguform Brasil	2006	Suit for dues from overtime, parity in salary, and damages for pain and suffering due to disease caused by labour activities	Lorival Tuchinski	45.58**
26.	Peguform Brasil	2008	Suit for dues from overtime,	Luciene Alves	12.83**

S. No.	Name of Entity	Year	Nature of the cases/ claims	Name of Opposite Party	Amount involved (₹ in million)
			parity in salary, and damages for pain and suffering due to disease caused by labour activities	Ospedal de Souza	
27.	Peguform Brasil	2009	Suit for dues from overtime and parity in salary	Luciano Xavier Motta	16.99**
28.	Peguform Brasil	2007	Suit for dues from parity in salary, damages for pain and suffering, and health hazard allowance	Marcio Jose Ferreira	19.25**
29.	Peguform Brasil	2006	Suit for damages for pain and suffering due to disease caused by labour activities	Maria Cristina Malinoske	11.52**
30.	Peguform Brasil	2008	Suit for damages for pain and suffering due to professional disease, overtime dues and health hazard and risk allowance	Moises Lopes Ribeiro	27.18**
31.	Peguform Brasil	2007	Suit for damages for pain and suffering due to accident caused by labour activities, health hazard allowance and overtime dues	Moises Pereira da Rocha	16.76**
32.	Peguform Brasil	2011	Suit for damages for pain and suffering due to disease caused by labour activities, overtime dues, and health hazard allowance	Neide Lino de Pontes	11.04**
33.	Peguform Brasil	2006	Suit for damages for pain and suffering due to disease caused by labour activities	Nelsi Martins	31.09**
34.	Peguform Brasil	2010	Suit for damages for pain and suffering due to a professional disease	Rogerlo Rein	18.69**
35.	Peguform Brasil	2010	Suit in relation to damages for pain and suffering due to disease caused by labour activities	Rosiane Goncalves	13.02**
36.	Peguform Brasil	2009	Suit in relation to parity in salary	Sanderson Lazzaretti	12.17**
37.	Peguform Brasil	2008	Suit in relation to damages for pain and suffering due to disease caused by labour activities, and overtime dues	Simone Vieira	12.83**
38.	Peguform Brasil	2006	Suit in relation to overtime dues and damages for pain and suffering caused by a labour accident	Sirley Aparecida Moura Leal	41.19**
39.	Peguform Brasil	2007	Suit in relation to overtime dues and damages for pain and suffering caused by a labour accident	Sonia Aparecida P. M. Klimak	24.40**
Sub-total					964.96
40.	Sumi Motherson Innovative Engineering Limited ("**SMIEL**")	2009	Income Tax	Commissioner of Income Tax, New Delhi	11.86
41.	SMIEL	2007	Income Tax	Commissioner of Income Tax, New	10.15

S. No.	Name of Entity	Year	Nature of the cases/ claims	Name of Opposite Party	Amount involved (₹ in million)
				Delhi	
42.	SMIEL	2011	Value added tax	Commissioner, Trade Tax, Uttar Pradesh	10.08
43.	SMR India	2009	Income Tax	Commissioner of Income Tax, New Delhi	27.12
Total tax for SMIEL and SMR India					59.21
Total Material Litigation involving Other Consolidated Entities					1,024.17

[*] INR/ 1 Euro = 64.6569
[**]INR/1 BRL = 28.3120

For further details of legal proceedings involving the Directors, our Subsidiaries, Group Companies, Joint Ventures and Other Consolidated Entities, see the section titled "Outstanding Litigation and Material Developments" on page 493.

2. ***The Company has, in the past, applied for compounding an offence in relation to investment by an overseas Subsidiary in a joint venture in India.***

The Company has in the past applied to the RBI for compounding of an alleged contravention of Regulation 6 of the Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2000, as amended, in relation to an investment made in a joint venture in India by Samvardhana Motherson Finance Services Cyprus Limited, a Cyprus-based wholly-owned subsidiary of SMFL. The RBI has, pursuant to its order dated August 18, 2011, compounded the contravention and imposed a fine of ₹ 1.0 million. Further, pursuant to a letter dated March 13, 2012 issued by the RBI, our Company has been permitted to undertake overseas direct investments under the 'automatic route' subject to compliance with certain conditions mentioned in the letter. Our Company is in the process of implementing the conditions prescribed in the letter and our Board may determine the measures to be taken by our Company to ensure compliance with such conditions. Pending implementation of the said conditions, we will have to continue to seek prior approval of the RBI for undertaking any overseas direct investment. Further, while we believe that we are in compliance with all applicable laws in relation to our business and operations, we cannot assure you that similar instances of compounding or other such proceedings will not occur in the future.

3. ***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.***

As of December 31, 2011, the aggregate of our secured loans and unsecured loans was ₹ 39,176.8 million on a consolidated basis and ₹1,500.0 million on a standalone basis. For further details, see the section titled "Financial Indebtedness" on page 488. 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 debt to equity ratio, capital and asset quality. For details see the section titled "Financial Indebtedness" on page 488. Specifically, we require the consent of our lenders for effecting any change in the management or control or the majority shareholding of the Company, any merger, amalgamation or other restructuring which leads to a delisting of the Equity Shares from the stock exchanges or which affects the control of the existing shareholders over the Company, or any material 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.

4. As of March 31, 2012, we are in breach of certain financial covenants contained in certain of our financing agreements.

We have not been and are not in compliance with certain financial covenants contained in certain of our financing agreements. We have applied for waivers from the appropriate lenders in respect of our breaches of these covenants, and although we have received waivers from some of our lenders in respect of these breaches of the relevant covenants, we cannot assure you that these lenders will not seek to enforce their rights in respect of future beaches or that we will be able to procure waivers from our remaining lenders. In the absence of waivers for any breach of the covenants contained in these financing agreements, our lenders could accelerate all amounts outstanding under the relevant financing agreements and declare such amounts immediately due and payable together with accrued and unpaid interest. As of December 31, 2011, the aggregate amount outstanding under these financing agreements attributable to the Company was ₹ 14,169.8 million. In the future, as a result of adverse market conditions or other reasons beyond our control, we may be unable to comply with the terms of our financing agreements. We have received waivers from our lenders except in relation to financing agreements with an aggregate amount outstanding as of December 31, 2011 of ₹ 1,884.0 million. A violation of the terms of our financing agreements may result in the acceleration of repayment or other events of default which may adversely affect our business and financial condition.

In the event that we breach a financial covenant, our lenders could deem us to be in default and seek early repayment of loans or increase our interest rates in certain circumstances. Our ability to execute expansion plans, including our ability to obtain additional financing on terms and conditions acceptable to us, could be severely and negatively impacted as a result of these restrictions and limitations. Our failure to comply with any of these covenants could result in an event of default, which could accelerate our need to repay the related borrowings and trigger cross-defaults under other borrowings. An event of default would also affect our ability to raise new funds or renew maturing borrowings. Any of these actions taken by our lenders, may individually, or in the aggregate, have an adverse effect on our business, results of operations and financial condition.

5. Our inability to identify and understand 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. 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 aim to focus on increased customer penetration through technological innovation. However, there can be no assurance that we will be able to secure the necessary technological knowledge or capability, through technical assistance agreements or otherwise, which will allow us to develop our product portfolio in this manner. We depend on our joint venture partners to gain access to technological innovations, and 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. Moreover, we cannot assure you that we will be able to achieve the technological advances that may be necessary for us to remain competitive or that certain of our products will not become obsolete. 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.

To compete effectively in the automotive components industry, we must be able to develop and produce new products to meet our customers' demand in a timely manner. We cannot assure you, however, that we will 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, or that the transitioning of our manufacturing facilities and resources to full production under new product programs will not impact production rates or other operational efficiency measures at our facilities. In addition, we cannot assure you that our customers will execute on schedule the launch of their new product programs for which we might supply products. Our failure to

successfully develop and produce new products, or a failure by our customers to successfully launch new programs, could adversely affect our business, prospects, results of operations, cash flows and financial condition.

6. ***A significant part of our operations are conducted by Joint Ventures that we cannot operate solely for our benefit. The performance of our Joint Ventures may adversely affect our results of operations and we may in the future conduct more of our business through Joint Ventures, exposing us to certain risks.***

We depend significantly on our Joint Ventures to conduct our business and the performance of our Joint Ventures affects our performance. In joint ventures, we share ownership and management of a company with one or more parties who may not have the same goals, strategies, priorities, or resources as we do. Operating a business as a joint venture often requires additional organizational formalities as well as time-consuming procedures for sharing information and making decisions. In joint ventures, we are required to pay more attention to our relationship with our co-owners as well as with the joint venture, and if a co-owner changes, our relationship may be materially adversely affected.

In addition, the benefits from a successful joint venture are shared among the co-owners, so we do not receive all the benefits from our successful Joint Ventures. We have made and may continue to make capital commitments to our joint venture partners and if the business or operations of these Joint Ventures deteriorates, the value of our investments may be adversely affected. Some of our business has in the past been, and may in the future be, conducted through entities that we do not entirely control. The success of our Joint Ventures depends significantly on the satisfactory performance by our joint venture partners of their contractual and other obligations. As we do not control our partners, we face the risk that they may not perform their obligations. In such a circumstance, we may be required to make additional investments, which could result in reduced profits or, in some cases, significant losses. There is also a risk of disagreement or deadlock with our joint venture partners, in which circumstances decisions may be delayed, or which could also result in termination of the joint venture. These factors could affect our ability to pursue our stated strategies with respect to those entities and could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

As of December 31, 2011, the Company had 18 Subsidiaries, 19 Joint Ventures and 86 Other Consolidated Entities. The Company's top five Subsidiaries and Joint Ventures, namely MSSL (on a consolidated basis), SMR (on the basis of the Company's 49% shareholding in SMR), Samvardhana Motherson Polymers Limited (on the basis of the Company's 49% shareholding in Samvardhana Motherson Polymers Limited), MIND and Magneti Marelli Motherson Auto System Limited, contributed 51.2%, 33.7%, 9.5%, 1.2% and 0.7%, respectively, of its consolidated sales of goods and services in the nine month interim period ended December 31, 2011. The Company's effective shareholding in MSSL, SMR, Samvardhana Motherson Polymers Limited, MIND and Magneti Marelli Motherson Auto System Limited as of December 31, 2011 is 36.12%, 63.12%, 67.42%, 53.62% and 50.0%, respectively.

We have recently exited two of our joint ventures, Motoman Motherson Robotics Limited and Webasto Motherson Sunroof Limited, as our joint venture partners in these entities wished to pursue these opportunities on their own. Additionally, we have recently acquired the entire equity interest of our erstwhile joint venture partner, Miyazu, in Motherson Auto Engineering Service Limited (formerly, Miyazu Motherson Engineering Design Limited), and have completed the merger of Sumi Motherson Innovative Engineering Limited with MSSL on March 31, 2012, with effect from April 1, 2011.

7. ***Substantially all of our operations are conducted through our Subsidiaries, Joint Ventures and Other Consolidated Entities; therefore, our ability to pay dividends on the Equity Shares depends on our ability to obtain cash dividends or other cash payments.***

We currently conduct all of our operations through our Subsidiaries, Joint Ventures and Other Consolidated Entities, and these entities generate all of our operating income and cash flow. Because we have no direct operations or significant assets other than the capital stock of these entities, we have no source of revenue other than the ownership interests in our Subsidiaries, Joint Ventures and Other Consolidated Entities. We will, therefore, 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. Similarly, because of our holding company structure, claims of the creditors of our Subsidiaries, Joint Ventures and Other Consolidated Entities, including trade creditors, banks and other lenders, effectively have priority over any claims that we may have with respect to the assets of these entities.

As of December 31, 2011, the Company had 18 Subsidiaries, 19 Joint Ventures and 86 Other Consolidated Entities. The Company's top five Subsidiaries and Joint Ventures, namely MSSL (on a consolidated basis), SMR (on the basis of the Company's 49% shareholding in SMR), Samvardhana Motherson Polymers Limited (on the basis of the Company's 49% shareholding in Samvardhana Motherson Polymers Limited), MIND and Magneti Marelli Motherson Auto System Limited, contributed 51.2%, 33.7%, 9.5%, 1.2% and 0.7%, respectively, of its consolidated sales of goods and services in the nine month interim period ended December 31, 2011. The Company's effective shareholding in MSSL, SMR, Samvardhana Motherson Polymers Limited, MIND and Magneti Marelli Motherson Auto System Limited as of December 31, 2011 is 36.12%, 63.12%, 67.42%, 53.62% and 50.0%, respectively.

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. For further details regarding the provision made for diminution in value of investments, see from page 243 to 492 in the section titled "Financial Information".

8. 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, resulting in lower demand for our products. In the nine month interim period ended December 31, 2011, our largest customer, the Volkswagen group (which includes brands such as Volkswagen, Audi, Porsche and SEAT), represented 24.2% of our consolidated income, while our five largest customers in the aggregate represented 59.3% of our consolidated income. 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 could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition. Further, pursuant to our acquisition of an equity stake in the Peguform Group, the Volkswagen group is one of the Peguform Group's largest customers, contributing the majority of the Peguform Group's total sales as of December 31, 2010. On a pro forma basis, assuming that the Peguform Group had been a part of our group for the entire nine month interim period ended December 31, 2011, the Volkswagen group would have accounted for over 50.0% of our consolidated revenue and our top 5 customers would have accounted for over 70.0% of our consolidated revenue. The loss of the Volkswagen group or any member of the

Volkswagen group as a customer would have a material adverse effect on our business, cash flows and results of operations.

9. ***Prior to its acquisition by us, our rear view vision systems business constituted a substantial part of Visiocorp, which in 2009 ceased to continue as a going concern and was placed under court administration. We have restructured and improved the financial condition, cash flows and results of operations of the acquired business since the acquisition in March 2009; however, there can be no assurance that such improvement will be sustainable or that our business will succeed.***

Our rear view vision systems business was originally established as Reitter & Schefenacker KG in 1935, restructured as Schefenacker plc in January 2007 and renamed Visiocorp Plc. in December 2007. As a result of Visiocorp's substantial indebtedness and its inability to refinance or renegotiate its indebtedness in a timely or cost-effective manner, Visiocorp was unable to continue as a going concern and was placed under administration in March 2009. Through a pre-packed court administration process, or pre-packaged sale, the rear view vision systems business was subsequently transferred to SMR. The Company and MSSL hold their equity interest in SMR in the ratio of 49:51. SMGHL, the holding company of SMR, received an amount of Euro 14.032 million (₹ 907.3 million) from the Company through its subsidiary in Mauritius, out of a total shareholders' contribution of Euro 28.638 million (₹ 1,851.6 million), towards the acquisition of SMR. SMGHL invested Euro 28.5 million (₹ 1,842.7 million) in SMR.

Upon the transfer of the Visiocorp business to SMR, SMR only assumed a portion of Visiocorp's prior indebtedness at certain operating companies. Since the transfer, we have been able to restructure the business and improve the business' overall financial condition and results of operations. However, our ability to sustain this performance, grow the business and be successful over the long term may be constrained if, among other things, we are unable to effectively service customers, manage or operate manufacturing plants or achieve the desired returns from the expansion of SMR's ongoing projects. In addition, if business conditions require us to do so, we may incur further restructuring or downsizing costs related to relocation, closing of facilities or severance efforts resulting from the ongoing rationalization of some of SMR's production facilities, which could adversely affect our profitability. We could also be required to make additional capital expenditures and incur additional indebtedness in order to expand SMR's capabilities, which could adversely affect our results of operations.

We expect that SMR's growth plans will place significant demands on our management and our operational capabilities and will also require us to continue developing and improving our operational, financial and internal controls. Increased operations may also increase SMR's fixed operating costs, and there can be no assurance that SMR will experience a sustained increase in revenues or derive operational synergies to offset these higher costs. If we are unable to optimize the synergies we have sought to implement following the acquisition of Visiocorp's business by SMR, or if we cannot effectively manage SMR's growth, our business, prospects, results of operations, cash flows and financial condition could be adversely affected.

10. ***We may suffer future asset impairment and other restructuring charges.***

We have taken restructuring actions in recent years to realign and resize our production capacity and cost structure to meet current and projected operational and market requirements and to integrate a significant business acquisition. If we are required to take further restructuring actions, the charges related to these actions may have a material adverse effect on our results of operations and financial condition. We cannot assure you that any future restructurings will be completed as planned or achieve the desired results. Additionally, from time to time in the past, we have recorded asset impairment losses in respect of certain of our Subsidiaries, Joint Ventures and Other Consolidated Entities relating to specific plants and operations. For example, in respect of the nine month interim period ended December 31, 2011 and Fiscal Years 2011, 2010 and 2009 we recorded asset impairment losses of ₹16.3 million, ₹ 4.9 million, ₹ Nil and ₹ 57.6 million, respectively. Generally, we record asset impairment losses when we determine that our estimates of the future cash flows from an operation will not be sufficient to recover the carrying value of that facility's building, fixed assets and production tooling. We cannot assure you that we will not incur such charges or losses in the future.

11. ***Our planned capital expenditures may not yield the benefits intended.***

Our plans for capital expenditure are generally based on management estimates, and, for Fiscal 2012, are expected to amount to approximately ₹ 1,458.3 million. The plans include the establishment of plants in new markets such as Brazil and Thailand and the expansion of existing facilities or establishment of new manufacturing facilities in India, Brazil, Mexico and Spain. These plans are subject to a number of variables and risks, including possible cost overruns, our financing needs, maintenance costs of current facilities, receipt of crucial governmental approvals, unanticipated expenses, engineering design changes, weather related delays, technological changes, including additional market developments and new opportunities, availability of financing on acceptable terms and changes in management's review of the desirability of expansion plans, among others. In addition, we may be unable to effectively manage our capital expansion and future growth due to the resulting strain on our managerial, operational and financial resources. As a result, there can be no assurance that we will be able to execute our capital expenditure plans as expected or at all, or that any completed or planned capital expenditure will produce the anticipated or desired revenue, profitability or cost-reduction outcomes.

12. The Company's investment in certain of its Subsidiaries/ Joint Venture may not create any assets.

The Company intends to utilise a portion of the Net Proceeds to fund the pre-payment and repayment of debt facilities availed by SMF Cyprus, SMH Mauritius and MATS, its Subsidiaries, aggregating ₹ 1,958 million. Further, the Company intends to utilise a portion of the Net Proceeds for funding strategic investments in SMPL, its Joint Venture, and SMH Mauritius, its Subsidiary, aggregating ₹ 6,275 million. Such investments, or a portion thereof, may not create any assets for the Company and would instead be utilised for the purposes of *inter alia*, repayment of inter-corporate loans, meeting their respective working capital shortfalls and repayment of financing facilities. The Company may, therefore, not receive any immediate benefit from such investments in these Subsidiaries/ Joint Venture. For further details, see the section titled "Objects of the Issue" on page 99.

13. The Company will be controlled by the Promoters and members of the Promoter Group as long as they collectively own a majority of the Equity Shares, and the other shareholders will be unable to affect the outcome of certain shareholder resolutions.

After the completion of the Issue, the Promoters and members of the Promoter Group will collectively own a majority of the issued, subscribed and paid up equity share capital of the Company. So long as the Promoters and members of the Promoter Group collectively own a majority of the Equity Shares, they will be able to elect the Company's entire board of directors and remove any director by way of a resolution approved by a simple majority of shareholders in a general meeting. The Promoters and members of the Promoter Group will be able to collectively control most matters affecting the Company, including the appointment and removal of the Company's officers; the Company's business strategy and policies; any determinations with respect to dispositions of assets; the Company's dividend payout; and the Company's capital structure. Further, the collective shareholding of the Promoters and members of the Promoter Group in the Company may result in delay or prevention of a change of management or control of the Company, even if such a transaction may be beneficial to the other shareholders.

The interests of the Promoters and members of the Promoter Group could conflict with Company's interests or the interests of other shareholders. We cannot assure you that the members of the Promoters or the members of the Promoter Group will act to resolve any conflicts of interest in favour of the Company or its other shareholders.

14. Sojitz Corporation ("Sojitz") has certain special rights until the listing of the Equity Shares pursuant to the Issue

Pursuant to a shareholders' agreement dated March 23, 2009 entered into among the Company, Sojitz, Vivek Chaand Sehgal and Laksh Vaaman Sehgal (the "**Sojitz SHA**"), the Company is required to adhere to certain obligations, including presenting its Annual Business Plan to Sojitz and following certain procedures prior to any further issuance of Equity Shares. Further, the Sojitz SHA states that, if at any time our Company decides to raise further finance by way of issuance of any additional Equity Shares or other securities of our Company convertible into Equity Shares, then our Company can only issue such shares and shall do so only after offering

to Sojitz on the same terms and conditions as the third party transferee, a proportionate stake in our Company as may be calculated in accordance with the provisions of the Sojitz SHA. In the event that Sojitz intends to transfer all or any of the Equity Shares or Vivek Chaand Sehgal and Laksh Vaaman Sehgal intend to transfer their controlling interest in our Company, to any third party transferee, the transferring party shall first offer such shares to the other shareholder (that is, Vivek Chaand Sehgal and Laksh Vaaman Sehgal to Sojitz and/or Sojitz to Vivek Chaand Sehgal and Laksh Vaaman Sehgal, as the case may be) on the same terms and conditions as are being offered to the third party transferee. Further details of the Sojitz SHA have been provided in the section titled "History and Certain Corporate Matters" at page 175.

Vivek Chaand Sehgal, Laksh Vaaman Sehgal, our Company and Sojitz have executed a termination letter pursuant to which the Sojitz SHA shall stand automatically terminated immediately upon listing of the Equity Shares. For further details, see the section titled "History and Certain Corporate Matters" on page 175.

15. The Company will not receive any proceeds from the offer for sale. A member of our Promoter Group is the Selling Shareholder and will receive the entire proceeds from the Offer for Sale.

This Issue includes an Offer for Sale of Equity Shares by the Selling Shareholder. The promoter of Radha Rani Holdings is JSRR Holdings (M) Pvt. Limited, a company incorporated under the laws of Mauritius, which wholly owns and controls Radha Rani Holdings. JSRR Holdings (M) Pvt. Limited is wholly owned and controlled by JBJ Development Inc., a company incorporated under the laws of British Virgin Islands. JBJ Development Inc. is wholly owned and controlled by JBJK Growth Trust, a discretionary irrevocable trust established under the laws of British Virgin Islands. The trustee of JBJK Growth Trust is Pollux Trustee Services Limited; a company incorporated under the laws of Switzerland and is managed and controlled by its board of directors. The sole beneficiary of JBJK Growth Trust is Vivek Chaand Sehgal. For further details, see the section titled "General Information" at page 74.

The entire proceeds from the Offer for Sale will be paid to the Selling Shareholder and the Company will not receive any such proceeds. The Offer for Sale shall aggregate ₹ 3,210 million. Further, the Equity Shares being offered by the Selling Shareholder in the Offer for Sale were acquired pursuant to a scheme of amalgamation and arrangement between Samvardhana Motherson Finance Limited (the transferee company), Motherson Consultancy Private Limited and their respective shareholders and creditors. For further details, see the section titled "Capital Structure" at page 85. The Selling Shareholder is a member of the Promoter Group and will receive such proceeds from the Offer for Sale. For further details, see the section titled "Objects of the Issue" on page 99.

16. The Company's management will have broad discretion over the use of the Net Proceeds, and the Net Proceeds might not be applied in ways that increase the value of your investment.

The Company intends to use the Net Proceeds for the purposes described in the section titled "Objects of the Issue" on page 99. The Objects of the Issue include pre-payment and repayment of debt facilities availed by our Company and certain of our Subsidiaries, funding strategic investments in Samvardhana Motherson Polymer Limited, our Joint Venture, and Samvardhana Motherson Holding (M) Limited, our Subsidiary, and funding investments in our rear-view vision systems business, through SMR. The deployment of the Net Proceeds is based on management estimates and has not been appraised by any bank, financial institution or other independent institution. Subject to such section, the Company's management will have broad discretion to use the Net Proceeds, and you will be relying on the judgment of the Company's management regarding the application of the Net Proceeds. However, changes, if any, in the "Objects of the Issue", other than those specified herein, following the listing of the Equity Shares will be subject to compliance with the Companies Act and such regulatory and other approvals and disclosures as may be applicable, including Clause 43A of the Listing Agreement. The application of the Net Proceeds in our business may not lead to an increase in the value of your investment. Various risks and uncertainties, including those set forth in the section titled *"*Risk Factors - Our diverse and complex global operations subject us to risks in multiple countries that could adversely affect our business*"* on page 30, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. For example, our expansion plans and any other future plans could be delayed due to failure to receive regulatory approvals, technical difficulties, human resource, technological or other resource constraints, or for other unforeseen reasons, events or circumstances. Accordingly, use of the Net Proceeds for purposes

identified by the Company's management may not result in actual growth of our business, increased profitability or an increase in the value of our business and your investment.

17. 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 favourable terms had such transactions not been entered into with related parties.

We have entered into transactions with several related parties, including our Promoters, Directors, Subsidiaries, Joint Ventures and Other Consolidated Entities, and 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 favourable 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. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. 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 transactions in the nature of sales and purchases of goods, rendering of services, sales and purchases of fixed assets, receipt of dividend, loans given and capital advances. Details of the Company's related party transactions on a standalone basis that are material and recurring in nature are set out below:

(₹ million)

Particulars	December 31, 2011	March 31, 2011	March 31, 2010	March 31, 2009
Dividend received	419.4	278.0	202.5	117.7
Investments made	159.4	385.9	2,113.6	3,475.6
Loans given during the year	482.9	452.4	447.8	12.0
Loans received back during the year	96.5	113.8	236.5	17.0
Interest income	52.5	43.2	13.2	0.1
Guarantees given during the period/year*	7,678.5	17.1	(158.9)	1,246.2

* *Inclusive of foreign currency exchange fluctuation*

For more information regarding our related party transactions, see the section titled "Related Party Transactions" on page 241.

18. Our contingent liabilities (on a consolidated basis) which have not been provided for in our financial statements could adversely affect our financial condition.

As of December 31, 2011, we had contingent liabilities not provided for, as disclosed in the notes to our restated consolidated financial information:

(₹ million)

S.No.	Particulars	As of December 31, 2011
1	In respect of excise (excluding interest)	12.6
2	In respect of customs	0.1
3	In respect of entry tax	0.2
4	In respect of sales tax	19.7
5	In respect of service tax	10.0
6	In respect of stamp duty	1.7
7	In respect of income tax	22.3
8	In respect of labour-related cases	6.4
9	In respect of other taxes and duties	56.4
10	Bank guarantees / corporate guarantees	117.0

On a standalone basis, as of December 31, 2011, the Company had contingent liabilities of ₹ 117.0 million attributable to bank guarantees and corporate guarantees. For further details, refer to page 256 of the Red Herring Prospectus. If these contingent liabilities materialize, fully or partly, our financial condition could be materially and adversely affected.

19. Certain of our Group Companies have incurred losses in recent financial years.

The following Group Companies have incurred losses in recent financial years, as set forth in the table below:

Name of the Group Company	Fiscal 2011 (₹)	Fiscal 2010 (₹)	Fiscal 2009 (₹)	Reasons
Motherson Engineering Research and Integrated Technologies Limited	₹ 30,630	₹ 11,630	₹ 11,930	This is a non-operating company. The losses pertain to auditor and miscellaneous expenses.
Motherson Integrated Technologies and Research	₹ 53,754	N/A[*]	₹ 11,930	This is a non-operating company. The losses pertain to auditor and miscellaneous expenses.
Style Motors Limited	₹ 16,036	₹ 32,636	-	This is a non-operating company. The losses pertain to auditor and miscellaneous expenses.
Spirited Auto Cars (I) Limited	₹ 6,337,805	₹ 30,826,599	-	The company was incorporated in May 2009 but became operational in August 2009 (for a period of 8 months). The overall pre-operative expenses charged to the Profit and Loss account for Fiscal 2010 was ₹16.0 million. Further, due to constraints related to supply of cars, revenue from sales and services was not enough to cover the overall indirect expenses and pre-operative costs.
Advanced Technologies and Auto Res. Pte. Limited[#]	₹118,272[##]	₹59,136[##]	₹61,440[##]	This is a non-operating company. The losses pertain to auditor and miscellaneous expenses.
SCCL Global Project (FZE)	₹844,503[###]	-	-	This is a newly incorporated company which was incorporated on September 30, 2010 and the losses incurred are due to costs of incorporation.

[*]Motherson Integrated Technologies and Research had a profit in Fiscal 2010.
[#] The financial year of Advanced Technologies and Auto Res. Pte. Limited runs from October 1 to September 30. As a result, the data presented in the table in relation to Advanced Technologies and Auto Res. Pte. Limited relates to the financial years 2008, 2009 and 2010.
[##] INR/ 1 SGD = 38.4
[###] INR/ 1 USD = 47.1

We can give you no assurance that our Group Companies will not continue to incur losses in future, that their net worth will be positive in the future or that any of the foregoing will not materially affect our business, future financial performance, results of operations and cash flows.

20. Certain secured and unsecured loans taken by certain of our Subsidiaries, Joint Ventures and Other Consolidated Entities may be recalled by their respective lenders at any time, which could lead to termination or default under such loans.

Certain secured and unsecured loans taken by certain of our Subsidiaries, Joint Ventures and Other Consolidated Entities may be recalled by their respective lenders at any time, as set forth in the table below:

Secured loans

Lender	Nature of Facility	Loan Currency	Amount Outstanding as of December 31, 2011 (₹ million)	Repayment Terms
State Bank of India	Cash Credit	INR	25.6	Payable on Demand
Development Credit Bank Limited	Cash Credit	INR	21.3	Payable on Demand
State Bank of India	Cash Credit	INR	77.5	Payable on Demand
State Bank of India	Cash Credit	INR	71.1	Payable on Demand
Yes Bank Ltd	Cash Credit	INR	77.5	Payable on Demand
Axis Bank Limited	Cash Credit	INR	0.3	Payable on Demand
Axis Bank Limited	Cash Credit	INR	3.1	Payable on Demand
Axis Bank Limited	Cash Credit	INR	2.8	Payable on Demand
Axis Bank Limited	Cash Credit	INR	3.8	Payable on Demand
Axis Bank Limited	Cash Credit	INR	47.7	Payable on Demand
State Bank of India	Cash Credit	INR	831.4	Payable on Demand
ICICI Bank Limited	Cash Credit	INR	52.8	Payable on Demand
Axis Bank Limited	Cash Credit	INR	20.9	Payable on Demand
Citi Bank	Cash Credit	INR	64.9	Payable on Demand
HDFC Bank Limited	Cash Credit	INR	25.8	Payable on Demand
HSBC Bank Limited	Cash Credit	INR	108.6	Payable on Demand
ING Bank Hungary	Working Capital	EUR	27.7	Payable on Demand
Unicredit Hungary	Working Capital	EUR	89.1	Payable on Demand
CITI Bank	Working Capital Loan	INR	37.0	Payable on Demand
Standard Chartered Bank	Working Capital Loan	INR	4.2	Payable on Demand
HDFC Bank	Working Capital Loan	INR	21.4	Payable on Demand
BNP Paribas Factor	Factoring	EUR	68.4	Payable on Demand
Compagnie Generale D'affacturage	Factoring	EUR	243.9	Payable on Demand
Bankinter	Working Capital	EUR	114.3	Payable on Demand
TMB Bank Public Company Limited	Working Capital	THB	1.2	Payable on Demand
JPMorgan Chase	Working Capital	USD	0.1	Payable on Demand
State Bank of India	Cash Credit	INR	13.2	Payable on Demand
TOTAL			**2,055.6**	

Unsecured loans

Lender	Nature of Facility	Loan Currency	Amount Outstanding as of December 31, 2011 (₹ million)	Repayment Terms
Mizuho Corporate Bank Singapore	Interest accrued and due	USD	0.1	Payable on Demand
Mijuho Corp Bank	Working Capital Loan	INR	27.3	Payable on Demand
TOTAL			**27.5**	

Inter-corporate deposits

Lender	Nature of Facility	Loan Currency	Amount Outstanding as of December 31, 2011 (₹ million)	Repayment Terms
Spheros Motherson Thermal System Ltd	Interest accrued and due	INR	0.2	Payable on Demand

Lender	Nature of Facility	Loan Currency	Amount Outstanding as of December 31, 2011 (₹ million)	Repayment Terms
SAKS Ancillaries Ltd	Inter Corporate Deposit	INR	16.1	Payable on Demand
A Basic Concept Designs Pty. Ltd.	Inter Corporate Deposit	AUD	4.9	Payable on Demand
TOTAL			**21.1**	

The total secured loans from third party lenders which can be recalled on demand as of December 31, 2011 amounted to ₹ 2,055.6 million on a consolidated basis and the total unsecured loans from third party lenders which can be recalled on demand as of December 31, 2011 amounted to ₹ 27.5 million (excluding recallable inter corporate deposits of ₹ 21.1 million) on a consolidated basis. For further information, see the section titled "Financial Information" at page 243.

Any failure to service such indebtedness, comply with a requirement to obtain a consent or otherwise perform such obligations under such financing agreements could lead to a termination of one or more of our credit facilities, penalties and acceleration of amounts due under such facilities, which may adversely affect our business, financial condition and results of operations.

21. We have incurred a loss on a consolidated basis in the nine month interim period ended December 31, 2011.

In the nine month interim period ended December 31, 2011, we have incurred a loss before taxation and adjustments of ₹ 335.4 million and a net loss as restated of ₹ 1,527.9 million. Key reasons for the loss are discussed in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations of Our Company – Results of Operations – Nine Month Interim Period Ended December 31, 2011". We expect the factors that adversely affected our results of operations for the nine month interim period ended December 31, 2011 to have an adverse effect on our results of operations for the full Fiscal 2012.

22. We are subject to conditions affecting the global automotive industry, which has witnessed fluctuations in recent years and substantial uncertainty in respect of its future prospects.

Our operations and performance are directly related to levels of global vehicle production, particularly the passenger car and commercial vehicle markets, and are therefore affected by factors that generally affect the automotive industry. The global automotive industry is cyclical in nature and sensitive to factors such as consumer demand and automobile manufacturers' debt levels, the ability of automobile manufacturers to service debt and other obligations and general economic conditions. In the event of a decrease in demand for passenger cars and commercial vehicles, or any developments that make the sale of components for the passenger car and commercial vehicle market less economically beneficial, we may experience a material adverse effect on our business, prospects, results of operation, cash flows and financial condition.

More generally, the automotive industry is affected by other factors such as national and international trade, environmental and health and safety regulations and oil prices. Any sustained decline in consumer demand for automobiles could prompt OEMs to cut their production volumes, which would directly affect the demand by our OEM customers for our products. Recent fluctuations in OEM production volumes around the world had affected our automotive business, and any further fluctuations in OEM production volumes in any of the North American, European or Asia-Pacific regional markets could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition. Furthermore, as we have high fixed production costs, even relatively modest declines in our customers' production levels, and thus, our production volumes, can have a significant adverse impact on our results of operations.

23. Lack of improvement or worsening global economic conditions could have an adverse impact on our sales and results of operations.

The severe recessionary impact of the global financial crisis and the effects of the ongoing sovereign debt crisis and uncertainty in global financial markets continue to be a cause of concern despite concerted efforts to contain

the adverse impact of these events on global economic recovery. The general economic conditions in India and around the world have substantially affected the Indian and global automotive industry. The demand for automobiles in the global market is influenced by factors that include, among others, changes in government policies, economic conditions, demographic trends, consumer confidence, employment levels, fuel prices, interest rates, taxation, freight, labour relations issues, technological developments, regulatory requirements, political instability, trade agreements, easy availability of credit and increase in the disposable income available to consumers in emerging markets. In the nine month interim period ended December 31, 2011, 22.5% of our consolidated income was from customers located in India while 76.6% was from customers located outside India.[1] Deterioration in key economic factors such as growth rates, interest rates and inflation as well as reduced availability of financing for vehicles at competitive rates may adversely affect automotive sales around the world. The realization of any of these risks could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

24. We have experienced significant growth in the past few years and if we are unable to sustain or manage our growth, this could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

We have experienced significant growth in the past five years. In Fiscal 2011 and the nine month interim period ended December 31, 2011, our consolidated total income amounted to ₹ 57,165.0 million and ₹ 60,245.2 million, respectively, as compared to ₹ 686.1 million in Fiscal 2007, while our standalone total income in Fiscal 2011 and the nine month interim period ended December 31, 2011 amounted to ₹ 405.9 million and ₹ 484.5 million, respectively, as compared to ₹ 0.3 million in Fiscal 2007. Our operations have also grown significantly over the last five years. As a result of the acquisition of the rear view vision systems business of Visiocorp Plc ("**Visiocorp**") by Samvardhana Motherson Reflectec Group Holdings Limited ("**SMR**"), we have recently experienced a significant increase in our operations and production facilities. In addition, we have recently completed the acquisition of an equity stake in the Peguform Group, an international supplier of interior and exterior plastic products for the automotive and related industries. The completion of this acquisition could involve a number of specific risks, including diversion of management's attention, failure to integrate the acquired business, higher costs, problems coordinating the sales and marketing of the acquired business with our existing businesses, unanticipated events or circumstances, legal liabilities, failure of the business of the Peguform Group and fall in value of investments and amortisation of acquired intangible assets, some or all of which could have a material adverse impact on our business, results of operations and financial condition.

This growth has placed, and will continue to place, significant demands on our management. We may not be able to sustain our rate of growth due to a variety of reasons, including a lack of suitable acquisition targets, a decline in the demand for automotive components, increased price competition, non-availability of raw materials, lack of management availability or a general slowdown in the economy. A failure to sustain our growth could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition. We have embarked on a growth strategy which involves significant expansion and diversification of our business. Such a growth strategy has placed, and will continue to place, significant demands on our management as well as our financial, accounting and operating systems. Our failure to manage our growth effectively could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

25. Our restated consolidated financial information may not be comparable between financial years and may not provide a basis for assessing our future prospects.

Our consolidated total income has grown from ₹ 686.1 million in Fiscal 2007 to ₹ 57,165.0 million and ₹ 60,245.2 million in Fiscal 2011 and the nine month interim period ended December 31, 2011, respectively, while our standalone total income has grown from ₹ 0.3 million in Fiscal 2007 to ₹ 405.9 million and ₹ 484.5 million in Fiscal 2011 and the nine month interim period ended December 31, 2011, respectively. Similarly, our profits, assets and liabilities have grown substantially over this period. A key factor in our growth has been

[1] *As there are some "unallocated" revenues, the aggregate of the contributions of customers in India and outside India is not 100%.*

strategic, inorganic transactions such as acquisitions and joint ventures, the most significant of which have been our acquisition of the SMR and the Peguform Group businesses. We acquired the rear view vision systems business of Visiocorp (the predecessor of SMR) in March 2009 through a pre-packed court administration process. This process refers to the sale of all or part of the business and assets of a distressed company after that company's entry into administration (a UK procedure for the reorganization of an insolvent or potentially insolvent company) but which was arranged prior to the administration. This acquisition transformed the size and scale of our business and our financial statements, with our consolidated total income increasing manifold from ₹ 9,360.1 million in Fiscal 2009 to ₹ 57,165.0 million and ₹ 60,245.2 million in Fiscal 2011 and the nine month interim period ended December 31, 2011, respectively, and our standalone total income increasing from ₹ 122.8 million in Fiscal 2009 to ₹ 405.9 million and ₹ 484.5 million in Fiscal 2011 and the nine month interim period ended December 31, 2011, respectively. In addition, on November 23, 2011, we completed the acquisition of an equity shareholding in the Peguform Group, which has further expanded the size and scale of our business and our financial statements. The Peguform Group's results of operations have been consolidated in our financial statements only for a period of 39 days for the nine month interim period ended December 31, 2011 and, as a result, we have not experienced the full impact of the Peguform Group's results of operations on our consolidated revenues and expenditure for the nine month interim period ended December 31, 2011. However, the assets and liabilities of the Peguform Group have been consolidated in our financial statements as of December 31, 2011, and have had a significant impact on our balance sheet. Our total consolidated fixed assets have more than doubled from ₹ 21,353.8 million as of March 31, 2011 to ₹ 45,151.2 million as of December 31, 2011, while our current liabilities and provisions have increased from ₹ 13,376.6 million as of March 31, 2011 to ₹ 33,061.3 million as of December 31, 2011. We expect that the operational and financial performance of the Peguform Group will have a material effect on our results of operations and financial condition in future periods. As a consequence, our consolidated financial statements for Fiscals 2007, 2008 and 2009 presented in this Red Herring Prospectus are not comparable to our consolidated financial statements for Fiscals 2010 and 2011 and the nine month interim period ended December 31, 2011.

Furthermore, we have owned and operated SMR's business for only two full financial years and the Peguform Group's business only since November 23, 2011. The financial statements for these limited periods may not provide a sufficient basis to assess either the business of SMR and the Peguform Group or our overall consolidated financial condition and results of operations. For these reasons, investors will not have the benefit of considering our historical consolidated performance over multiple prior periods, which can be beneficial when evaluating our future prospects. Accordingly, investors should be aware of the limitations of the consolidated financial statements presented in this Red Herring Prospectus.

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

We currently market and distribute our products and services and have a presence in 25 countries, namely, Australia, Austria, Brazil, China, the Czech Republic, France, Germany, Hungary, India, Ireland, Italy, Japan, Mauritius, Mexico, Portugal, Singapore, Slovakia, South Africa, South Korea, Spain, Sri Lanka, Thailand, the U.A.E., the U.K, and the U.S.A, with the construction of manufacturing facilities underway in India, Brazil, Mexico, Spain and Thailand. In the nine month interim period ended December 31, 2011, 76.6% of our consolidated income was from customers located outside India. 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 labour laws, which may prevent us from deploying or retaining an adequate number of employees in foreign countries;
- 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;
- maintaining stable and reliable transportation infrastructure;
- other regulatory changes affecting our business and the automotive industry in general; and
- limited protection for intellectual property rights in some countries.

The complexity and scope of our business places significant demands on the Company's management and the management of our Subsidiaries, Joint Ventures and Other Consolidated Entities. If we are unable to efficiently manage these factors, our business, prospects, results of operations, cash flows and financial condition could be adversely affected.

27. The Company has applied for classification as a systemically important core investment company ("CIC-ND-SI") and is required to be registered with the RBI and comply with certain requirements.

The RBI has issued the Core Investment Companies (Reserve Bank) Directions, 2011, dated January 5, 2011 ("**CIC Directions**"), setting out the conditions to be complied with by a company for it to be classified as a core investment company ("**CIC**") on the basis of its last audited balance sheet, and further for classification of a CIC as a CIC-ND-SI. We believe that we comply with the conditions to be a CIC-ND-SI. Accordingly, the Company has made applications dated May 6, 2011 and December 1, 2011 to the RBI for certificate of registration as a CIC-ND-SI. For further details, see the section titled "Regulations and Policies" on page 169.

We cannot assure you that we will be granted the approval by the RBI or that we will be granted the approval in a timely manner. As per the CIC Directions, the Company is entitled to continue to carry on its business until the disposal of the application by the RBI. However, in the event the Company's application for registration as a CIC-ND-SI is rejected by the RBI on the ground that the Company does not fulfil the conditions to be a CIC-ND-SI, we may be directed to fulfil the conditions of being a CIC-ND-SI or may be classified as a CIC. If the Company is classified as a CIC by the RBI, the Company may be exempt from registration with the RBI. Further, the RBI may also classify us as a NBFC and direct us to fulfil the conditions of being a CIC or CIC-ND-SI. If we are unable to fulfil the conditions to be a CIC or a CIC-ND-SI and are classified as a NBFC by the RBI, we would be required to submit an application to the RBI for registration as a NBFC.

Further, if the Company is granted registration as a CIC-ND-SI, the Company is required to ensure, among other things, that its adjusted net worth at any point of time is not less than 30% of the aggregate risk weighted assets on the balance sheet and risk adjusted value of off-balance sheet items as on the date of the last audited balance sheet and that the outside liabilities of the Company do not, at any point of time, exceed 2.5 times its adjusted net worth as on the date of the last audited balance sheet as at the end of the financial year. There can be no assurance that the Company will comply with these conditions or other conditions that may be imposed by the RBI, on an ongoing basis. Any non-compliance with these conditions may lead to the imposition of penalties, denial or cancellation of registration as a CIC-ND-SI.

28. The Company's majority shareholders are non-Residents and foreign investments in the Company will be subject to certain provisions of Indian foreign investment laws.

As more than 50% of SMFL's pre-Issue paid-up Equity Share capital is held by non-Residents and non-Resident entities have the power to appoint the majority of SMFL's Directors, the Company is subject to certain restrictions contained in India's foreign investment regulations such as the Consolidated FDI Policy. For example, any downstream investment by the Company into another Indian company will have to be in compliance with relevant sectoral conditions on entry route, conditionalities and equity caps applicable to the

downstream entity. In addition, the entire investment by the Company into a downstream Indian company will be considered as indirect foreign investment for calculating the total foreign investment in the downstream Indian company, in accordance with the Consolidated FDI Policy. Further, for the purpose of downstream investment, the Company will have to bring in the requisite funds from abroad and not borrow funds from the domestic markets in India to make such investments. In addition, as per the Consolidated FDI Policy, foreign investment into an Indian company, such as the Company, engaged only in the activity of investing in other companies, will require prior approval of the Government of India or the FIPB, regardless of the amount or extent of foreign investment. For further details, see the section titled "Regulations and Policies" on page 169.

29. We have undertaken and may continue to undertake strategic investments and alliances, acquisitions and mergers in the future, which may be difficult to integrate and manage. Our future success depends on our ability to achieve and manage growth, whether through internal growth or strategic acquisitions.

We have pursued and may continue to pursue acquisitions, mergers and strategic investments and alliances in businesses and companies that operate in the automobile components industry and whose resources, capabilities and strategies are complementary to and likely to enhance our business operations. For example, we currently have joint venture agreements with global automotive component manufacturers, including Sumitomo Wiring Systems Limited and have acquired the business of Visiocorp in Fiscal 2009. Further, to derive the benefits of economies of scale, we have merged Motherson Consultancy Private Limited into the Company with effect from February 1, 2007, pursuant to an order dated December 10, 2007 of the High Court of Delhi. For further details, see the section titled "History and Certain Corporate Matters" on page 175. We have also completed the mergers of MSSL Global Wiring Limited, India Nails Manufacturing Limited and Sumi Motherson Innovative Engineering Limited with MSSL on March 31, 2012, with effect from April 1, 2011. The purpose of these mergers is to provide better operational and financial efficiency. There can be no assurance that we will be able to achieve the strategic purpose of these mergers and generate the expected benefits. In addition, we have recently completed the acquisition of an equity stake in the Peguform Group and have entered into a Share Purchase Agreement dated March 15, 2012 in relation to the acquisition of a majority shareholding in Sintermetal S.A. These acquisitions are in accordance with our overall strategy of seeking opportunities that offer advantages across our business, including access to new technological capabilities, products and geographies and are aimed at catering to the requirements of our customers.

It is possible that we may not be able to identify suitable investment opportunities, or if we do identify suitable opportunities, we may not be able to complete those transactions on terms commercially acceptable to us or at all. The inability to identify suitable investments or the inability to complete such transactions may adversely affect our competitiveness or our growth prospects. Even if we find such suitable opportunities, we may not be able to effectively integrate these into our existing businesses, or we may incur higher than anticipated costs, or incur unknown liabilities that could have a material adverse effect on our financial condition and results of operations. In addition, if we attempt to acquire non-Indian companies, we may not be able to satisfy certain Indian regulatory requirements for such acquisitions and may need to obtain prior approval of the RBI, which we may not be able to obtain, in a timely manner or at all.

There can be no assurance that we will be able to raise sufficient funds to finance such strategies for growth. 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. In addition, there can be no assurance that we will be able to consummate our expansion, acquisitions, mergers or alliance in the future on terms acceptable to us, or at all.

30. Our strategy to expand our operations in key and emerging markets may not succeed.

Our business plans include expanding our operations in emerging markets such as Brazil and Thailand, and considering the establishment of new plants or the expansion of existing facilities in other key markets, such as India, Brazil, Mexico and Spain. We expect to continue to incur substantial capital expenditure in connection with this planned expansion, and our strategy for these expanded operations requires us to successfully attract new production orders from our existing and new customers in these markets. Accordingly, the success of our expansion in any market is subject to business, economic and competitive uncertainties and contingencies, many of which are beyond our control. For example, even though many of our customers are establishing global

platforms, customers who have an existing presence in a country may already have an established supply chain and they may not be able to integrate us into their supply chain without undue cost or disruption to their operations. In addition, in some of these markets, our global competitors may have stronger and more established operations and more long-term relationships with suppliers. We could also face challenges from incumbent local manufacturers of similar products who may have advantages over us in terms of pricing, costs and local knowledge, among other factors. As a consequence, our strategy to expand into new markets may not be profitable and we may not be able to fully implement our expansion strategy or achieve our expected returns, which could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

31. The Company has given corporate guarantees in relation to certain debt facilities provided to certain of its Subsidiaries, Joint Ventures and Other Consolidated Entities, which, if invoked, will require the Company to pay the guaranteed amounts.

As of December 31, 2011, SMFL has given corporate guarantees in relation to certain debt facilities provided to certain of its Subsidiaries, Joint Ventures and Other Consolidated Entities aggregating to ₹ 9,404.2 million. For more details see the section titled "Financial Indebtedness" on page 488. In addition, SMFL has provided a guarantee in favour of the security agent for the credit facilities of Samvardhana Motherson B.V., Netherlands, Forgu GmbH, Germany and Samvardhana Motherson Global Holding Ltd., Cyprus, up to an amount not exceeding ₹ 6,600.0 million (US$ 126.1 million), being 1.1 times of its share of 49% of the facility amount of ₹ 13,487.8 million (US$ 257.7 million). For further details, see the section titled "Objects of the Issue" at page 99. In the event that these guarantees are invoked, SMFL will be required to pay the guaranteed amounts.

32. SMP Deutschland GmbH (formerly Peguform GmbH), Peguform Iberica S.L. and Peguform Module Division Iberica Cockpits S.L.U. have assigned their rights under contracts with their customers in favour of certain lenders.

Each of SMP Deutschland GmbH (formerly Peguform GmbH), Peguform Iberica S.L. and Peguform Module Division Iberica Cockpits S.L.U., pursuant to Global Assignment Agreements entered into with the relevant securities agents, have assigned, amongst others, all their present and future rights and monetary claims arising from the delivery of goods and rendering of services against their customers. The assignment of these receivables is intended to secure all present and future moneys, debts and liabilities owing from SMP Deutschland GmbH (formerly Peguform GmbH), Peguform Iberica S.L. and Peguform Module Division Iberica Cockpits S.L.U., as the case may be, to such lenders. In case of the occurrence of an event of default under the relevant facility agreements (which includes non payment on the due date of any amount payable) by any of SMP Deutschland GmbH (formerly Peguform GmbH), Peguform Iberica S.L. and Peguform Module Division Iberica Cockpits S.L.U., the relevant security agent would be entitled to the receivables from the Peguform Group's customers, which could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

Further, we have received a notice dated January 12, 2012 from one of the Peguform Group's customers, SEAT, stating that the assignment of present and future rights and monetary claims by Peguform Iberica S.L. and Peguform Module Division Iberica Cockpits S.L.U. arising from the delivery of goods or rendering of services against SEAT to their lenders is not permitted. Pursuant to this notice, SEAT have stated that all payments to Peguform Iberica S.L. and Peguform Module Division Iberica Cockpits S.L.U. are suspended pending revocation of the assignment of these present and future rights and monetary claims. If we are unable to resolve this matter with SEAT, it could have a material adverse effect on our business, cash flows and results of operations.

33. In the future, there may be potential conflicts of interest between our Subsidiaries, Joint Ventures and Other Consolidated Entities, including MSSL and SMR.

The majority of our Subsidiaries, Joint Ventures and Other Consolidated Entities, including MSSL and SMR, are engaged in the automotive components industry. It is possible that certain of our Subsidiaries, Joint Ventures and Other Consolidated Entities may have overlapping businesses and that conflicts of interest may arise amongst these entities. We do not currently have any formal arrangement amongst our Subsidiaries, Joint

Ventures and Other Consolidated Entities that governs the approach to new opportunities in the automotive and non-automotive industries. Accordingly, it is possible that, in the future, conflicts of interest may arise amongst our Subsidiaries, Joint Ventures and Other Consolidated Entities in respect of such new opportunities. There is no guarantee that, in the event a new opportunity arises, we will be able to identify the entity best suited to avail of this opportunity or that such entity will provide us the best financial returns. Our inability to identify the entity best suited to any new opportunity may have a material adverse effect on our prospects and results of operations.

34. 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.

Each of our supply contracts usually provides for the supply of our products for a specified time period, which may range from 6 to 10 years for a particular vehicle model and assembly plant. These contracts do not provide for the purchase of a minimum quantity of products. 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. The discontinuation of, loss of business with respect to, or lack of commercial success of 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. Demand for a particular vehicle may fluctuate from time to time, and this could have a material adverse effect on our business.

35. Most of our customers do not commit to firm purchase orders for more than one month in advance and alterations in customer forecasts or orders could adversely affect our operating results and result in a mismatch in our inventory of pre-constructed components or raw materials and of our finished products.

Our customers do not commit to firm purchase orders for more than one month in advance and in some cases commit to firm orders as short as one week in advance, which subjects us to substantial risks. Customers may change actual production quantities or delay production for a number of reasons. 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. We have also in the past, allowed long-term customers to delay orders to absorb excess inventory. 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. In the past, we have been required to increase staffing and other expenses in order to meet the anticipated demand of our customers. Where such anticipated orders have failed to materialize or delivery schedules have been deferred as a result of changes in our customers' business needs, our results of operations have been 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 fail to meet our customers' schedules. Such customer order fluctuations and deferrals have exerted pressure on us in the past, and we may experience such effects in the future. In addition, because many of our costs and operating expenses are relatively fixed, a reduction in customer demand can adversely affect our gross profits, operating results and cash flows.

We typically commit to order raw materials and pre-constructed components from our own suppliers based on customer 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 reduced 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.

36. 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, labour disputes, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. 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.

37. 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.

Certain of our products use components that are available from a limited number of suppliers, some of whom are our competitors, including Magna Donnelly, Ficosa International S.A. and Gentex Corporation. For example, SMR sources actuators from a subsidiary of Magna Donnelly. If SMR is unable to source actuators from this entity or find a replacement supplier, its production could be adversely affected. In other circumstances, we source important components from a single source. For example, we currently source most of our requirements for electro-chromatic glass ("**EC glass**") from a single company, Gentex Corporation. It is likely that we will continue to source most of our requirements for EC glass from Gentex Corporation in the foreseeable future due to the satisfactory quality of their products. Any disruption in the manufacturing process or supply from Gentex Corporation could adversely affect our ability to deliver EC glass-related products. 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. The ongoing global financial crisis 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. There is no assurance that we would be able to do so in a cost-effective manner, or at all.

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

The length of time for which our supply contracts exist usually depends upon the time period of the expected demand for the vehicle model for which the supplies are procured by us. We cannot assure you that we would be able to accurately estimate the time period for which our supply contracts for particular supplies 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. If we were to experience a significant or prolonged shortage of supplies from any of our suppliers, and are 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 timely fashion, which would adversely affect our sales, margins and customer relations.

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. This delay or low quality 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.

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

The prices of the raw materials and pre-constructed components which we rely on, such as glass, actuators, EC Glass, electronics and electrical parts, copper, various grades of polymers and resins may be volatile and could result in an increase in our input costs. In addition, supply shortages or delays in deliveries of raw materials or component parts can also result in increased costs. Our ability to adjust pricing terms with customers, which typically factor in supply cost, at the time at which the contract is entered into and subsequently when it is extended or renewed, is based on our specific customer relationships, market practice with respect to the particular raw material or component and other factors. Therefore, we may bear the risk of price increases that occur between any such extension or renewal during the balance of the term of the particular customer contract. Although we seek to enter into negotiations with our customers to increase the sale prices of our products to account for increases for the costs of our input materials, 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 the costs of our input materials. 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.

40. We have substantial capital requirements and will require additional financing to meet those requirements.

Our business has ongoing capital requirements and we are currently adding new production facilities and expanding and upgrading existing production facilities in India and abroad. As of December 31, 2011, our total secured loans and unsecured loans on a consolidated basis aggregated ₹ 39,176.8 million, including bank borrowings amounting to ₹ 35,137.7 million, representing a gearing ratio (total secured and unsecured loans on a consolidated basis over total shareholders' funds) of 273.3%, while our total secured and unsecured loans on a standalone basis aggregated ₹ 1,500.0 million, representing a gearing ratio of 13.7%. Our expansion plans could potentially result in our needing to increase available borrowings under our revolving credit facilities or access public or private debt and equity markets. However, an increase in the level of our indebtedness, among other things, could:

- make it difficult for us to obtain any necessary financing in the future for other acquisitions, working capital, capital expenditure, debt service requirements or other purposes;
- limit our flexibility in planning for or reacting to changes in our business; and
- make us more vulnerable in the event of a downturn in our business.

Our sources of additional financing to meet our capital expenditure plans include commercial bank borrowings or the sale of equity or debt securities. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. There can be no assurance that we will be able to raise adequate financing to fund our capital requirements on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in the delay or abandonment of our development and expansion plans and could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

In addition, the actual amount and timing of future capital requirements may differ from estimates as a result of, among other things, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, engineering design changes, weather related delays, technological changes, including additional market developments and new opportunities. All of these factors could have an adverse effect on our business, prospects, results of operations, cash flows and financial condition.

41. We depend on the senior management, executive officers, key employees and skilled personnel of our Subsidiaries, Joint Ventures and Other Consolidated Entities, 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 the senior management, executive officers, key employees, and other skilled personnel of our Subsidiaries, Joint Ventures and Other Consolidated Entities. These employees are not bound by employment or non-competition agreements, and we cannot assure you that we will retain these executive officers and other key employees. We could be adversely affected by the loss of any of these 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, prospects, results of operations, cash flows and financial condition.

Our success also depends, in part, on key customer relationships forged by members of the senior management of our Subsidiaries, Joint Ventures and Other Consolidated Entities. We cannot assure you that we will be able to continue to maintain these relationships or renew them. If we are unable to retain these members of our senior management, our business may be adversely affected.

42. Our manufacturing processes and products sold to our customers may result in exposure to intellectual property infringement, product liability or other claims.

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.

We also offer certain design services relating to products that we manufacture for our customers. Providing such services can expose us to different or greater potential liabilities than those we face when providing our regular manufacturing services. For example, our design services business may increase our exposure to potential product liability claims resulting from injuries caused by defects in products we design, as well as potential claims that products we design or processes we use infringe third party intellectual property rights. As stated above, in general, any infringement claim subjects us to certain risks. In addition, such claims, regardless of their merits, could be time-consuming and expensive to resolve. We may also have greater potential exposure from warranty claims and from product recalls due to problems caused by product design.

43. The success of our newly designed products and other innovations depends in part on our ability to obtain, protect and leverage intellectual property rights to our designs.

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 February 29, 2012, one of SMR's subsidiaries held 587 patents in relation to our rear view vision systems business and SMP Deutschland GmbH (formerly Peguform GmbH) held 274 patents in relation to our polymer processing business. For further details, see the section titled "Our Business" at page 146. However, we cannot be certain that the measures that we employ will result in the protection of 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. In addition, there can be no assurance that others 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, prospects, results of operations, cash flows and financial condition.

Further, under the governing documents or agreements with some of our joint venture partners, any intellectual property rights upon any products or processes developed by the Joint Venture vest with the relevant joint venture partner. Accordingly, in the event that a Joint Venture is not successful, we would not retain any intellectual property over products or processes developed by the Joint Venture. We also face the risk of discontinuity of our business lines operated through our Joint Ventures in the event that the Joint Venture is not successful.

44. 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.

We generally provide payment terms to our customers ranging from 14 to 60 days. 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. The ongoing 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.

45. 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 labour and equipment resources effectively in connection with the establishment of new programs and new customer relationships, or correctly estimate required resources in advance, 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 labour 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.

46. We cannot assure you that the emergence of new technologies such as video-conferencing will not reduce the need for automobiles, thereby affecting our customer base.

With the emergence of new communications technologies such as video-conferencing and Voice Over Internet Protocol, there has been a reduction in the requirement to travel. The further development of such technologies and widespread acceptance of such technologies by businesses and individuals could have an adverse impact on the automotive industry, thereby affecting our customer base and indirectly resulting in an adverse impact on our business, prospects and results of operations.

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

We face an inherent business risk of exposure to product liability or recall claims, especially in respect of our operations outside India, in the event that our products fail to perform as expected or any such failure results, or is 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.

Vehicle manufacturers have their own policies regarding product recalls and other product liability actions relating to their suppliers. However, as suppliers become more integrally involved in the vehicle design process and assume more vehicle assembly functions, vehicle manufacturers may seek compensation from their suppliers for contributions when faced with product recalls, product liability or warranty claims. Vehicle manufacturers 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 sales contract has expired. Such events may require us to expend considerable resources in correcting these problems and could adversely affect demand of our products. Any such law suits, proceedings and other claims could result in increased costs for us. A successful warranty or product liability claim or costs incurred for 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.

We do not maintain product liability insurance across all of our Subsidiaries, Joint Ventures and Other Consolidated Entities. Moreover, 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 where 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, prospects, results of operations, cash flows and financial condition.

48. 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. For example, we have, in the past, suffered damage due to major fire accidents at certain of our premises. 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, prospects, results of operations, cash flows and financial condition 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.

49. Increasing labour costs in various jurisdictions in which we operate may adversely affect us.

Increasing labour costs in countries in which we operate such as India, China, Sri Lanka and Mexico may erode our profit margins and compromise our price competitiveness. Historically, the low cost of labour in India, China, Sri Lanka and Mexico had been a competitive advantage, but recent wage increases have increased average wage expenses per employee. If we are unable to manage these increases in our overhead costs, this could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

50. 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, labour 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.

51. Energy price increases or inadequate supply may adversely affect our results of operations and cash flows.

Energy accounts for a significant portion of the cost for a number of activities connected with our business, such as the transportation of raw materials and finished products and operation of our production facilities. 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 increase our operating costs if we are unable to increase our product prices enough to offset these increased costs. This could have an adverse effect on our results of operations and cash flows. Additionally, we source almost all the electricity requirements for our manufacturing facilities from local utilities. 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.

52. Our operations could be adversely affected if we fail to comply with the laws and regulations of the countries in which we operate and the conditions stipulated in our licenses, permits or approvals, including, in particular, global environment and emissions-related laws.

Our business and operations in the countries in which we operate are subject to governmental rules and regulations, including, in particular, environmental and emissions-related laws and occupational health and safety and labour regulations. We have a presence in 25 countries, namely, Australia, Austria, Brazil, China, the Czech Republic, France, Germany, Hungary, India, Ireland, Italy, Japan, Mauritius, Mexico, Portugal, Singapore, Slovakia, South Africa, South Korea, Spain, Sri Lanka, Thailand, the U.A.E., the U.K, and the U.S.A. There can be no assurance that we will at all times be in complete compliance with such laws, regulations and permits or that we will be able to meet the relevant requirements set by the authorities at all times including, in particular, in relation to our operations in Brazil, China and Mexico.

We are required to obtain various licenses, permits and approvals for our operations, including but not limited to environmental permits, emissions licences and permits and other business licenses, and 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. Breach or non-compliance with the laws and regulations may result in the suspension, withdrawal or termination of our business licenses or permits, or the imposition of penalties, by the relevant authorities. As at the date of this Red Herring Prospectus, we may not have applied for certain approvals required for our business operations. Further, certain approvals may have expired, for which we have sought renewals. For details, see the section titled *"*Government and Other Approvals*"* on page 503. Any suspension, withdrawal, termination or refusal to extend our business licenses or permits would require us to cease production of some or all of our products, which could have a material adverse effect on our business, prospects and results of operations.

53. If our manufacturing processes and services do not comply with applicable statutory and regulatory requirements, demand for these products and services may decline and we may be subject to fines or other penalties.

We manufacture and design products to our customers' specifications and, in some cases, our manufacturing processes and facilities may need to comply with applicable statutory and regulatory requirements. In addition, our customers' products and the manufacturing processes that we use to produce them are often highly complex. As a result, products that we manufacture may at times contain manufacturing or design defects, and our manufacturing processes may be subject to errors or not be in compliance with applicable statutory and regulatory requirements. Defects in the products we manufacture or design, whether caused by a design,

manufacturing or component failure or error, or deficiencies in our manufacturing processes, may result in delayed shipments to customers or reduced or cancelled customer orders. This would have an adverse effect on our customer relationships and our operations. If these defects or deficiencies are significant, our business reputation may also be adversely affected.

If the products that we manufacture, our manufacturing processes or our facilities fail to comply with applicable statutory or regulatory requirements or requirements of the relevant authorities, we may be subject to legal fines or penalties and may, in some cases, have to shut down a manufacturing process or facility or incur considerable expense to rectify the problem or meet the requirements. This could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

54. 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 mandate the field of view that must be reflected from a rear view vision system and may require the inclusion of certain warning labels. In addition, some customers also require us to maintain certain standards and conduct inspections at regular intervals to ensure we maintain these standards. If we are unable to meet or maintain the requirements needed to secure or renew such certifications, this could have a material adverse effect on our business, prospects and results of operations.

55. The Selling Shareholder requires the approval of the RBI in connection with the Issue.

The Selling Shareholder has been classified as an Overseas Corporate Body ("**OCB**") by the RBI, and any transfer of shares by an OCB requires the prior approval of the RBI. The RBI, pursuant to its letter dated March 6, 2012, has conveyed its no-objection for the transfer of up to 37,100,000 Equity Shares (held on repatriation basis) by the Selling Shareholder in the Issue.

56. 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 global 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.

57. We regularly work with hazardous materials and activities in our operations may cause injuries to people or property.

Our business requires individuals to work 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.

These hazards can cause personal injury and loss of life, catastrophic damage or destruction of property and equipment as well as environmental damage, which could result in a suspension of operations and the imposition of civil or criminal liabilities. For example, on June 29, 2007, a fire occurred at the unit located at C-1 A&B, Sector-1, Noida, at the wiring harness facility, causing damage to stocks, equipment and the building. The loss or shutting down of our facilities could disrupt our business operations and adversely affect our results of operations, financial condition and reputation. We could in the future face claims and litigation filed on behalf of persons alleging injury predominantly as a result of occupational exposure to hazards at our facilities. If these claims and lawsuits, individually or in the aggregate, are resolved against us, our business, prospects, cash flows, results of operations and financial condition could be adversely affected.

58. 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. All 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.

On March 11, 2011, an earthquake and tsunami occurred in Japan, causing severe damage to the region and resulting in a nuclear crisis at the Fukushima reactors and the surrounding region. These events have disrupted the production of some of our suppliers based in Japan. Moreover, we may be adversely affected if our OEM customers cease or slow production of vehicles on account of the Japanese crisis, which would negatively affect their purchase orders for our products.

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.

59. Acts of terrorism and other political and economic developments could adversely affect our business.

Increased international political instability, evidenced by the threat or occurrence of terrorist attacks, enhanced national security measures, conflicts in several regions in which we operate, strained international relations arising from these conflicts and the related decline in consumer confidence may hinder our ability to do business. Any escalation in these events or similar future events may disrupt our operations or those of our customers and suppliers and could affect the availability of materials needed to manufacture our products or the means to transport those materials to manufacturing facilities and finished products to customers. These events have had and may continue to have an adverse impact on the world economy and customer confidence and spending in particular, which could, in turn, adversely affect our revenue, operating results and cash flows. 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 and suppliers.

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

A significant portion of our debt is denominated in currencies other than Indian Rupees, and the majority of our debt bears interest at floating rates. We do not typically use any hedging instruments in relation to the interest rates based on Bank PLR or Base Rate on Indian currency loans. Accordingly, we are exposed to risks associated with changes in Bank PLR or Base Rate. As a result, an increase or decrease in interest rates would affect our current interest expenses and our future refinancing costs, which could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

We are exposed to foreign exchange risks arising from various currency exposures. For example, on a standalone basis, the Company's earnings in foreign currency (on an accrual basis) in Fiscal 2011 amounted to ₹ 1.5 million, while its total expenditures in foreign currency (on a cash basis) amounted to ₹ 3.9 million in this period. Although we engage in currency hedging on our foreign currency denominated loans, a weakening of the Indian Rupee against the U.S. Dollar or the Euro may have an adverse effect on our cost of borrowing and consequently may increase our financing costs. Also, although we enter into forward foreign exchange contracts and other derivative instruments, we are exposed to transactional foreign exchange risk from sales or purchases and costs relating to raw materials and bought-outs in currencies other than Indian Rupees. We 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 significant adverse impact on our results of operations.

61. We rely upon contract labour for carrying out some of our activities at our manufacturing facilities, and any shortage of such contract labour or work stoppages caused by disagreements with independent labour 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 and these contractors are required to source the labour necessary to complete such assignments. As per information received from our Company's Joint Ventures, Subsidiaries and Other Consolidated Entities, 10,007 persons, or approximately 23.08% of our total labour force across all our Subsidiaries, Joint Ventures and Other Consolidated Entities comprises independent contract labour, as of February 29, 2012. Any shortage of such contract labour 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 labourers directly, we may be held responsible for any wage payments to be made to such labourers 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.

62. The Company does not own any trade names or trademarks and it may be unable to adequately protect our intellectual property.

The Company has applied for the registration of the " " logo. For further details of such application, see the section titled "Government and Other Approvals" on page 503. Hence, the Company does not currently enjoy the statutory protections accorded to a registered trademark. Our application may not be allowed or competitors may challenge the validity or scope of the application or the trademark, if the application is approved, on the grounds of resemblance or otherwise. If we fail to successfully obtain or enforce our trademark, we may need to change the Company's logo. Any such change could adversely affect our reputation and business and could require us to incur additional costs.

63. The Company has issued Equity Shares in the last 12 months at a price that may be lower than the Issue Price.

The Company has issued Equity Shares in the last 12 months at a price that may be lower than the Issue Price, the details of which are as follows:

Date of allotment	Number of Equity Shares	Issue Price (₹)	Nature of Consideration	Reasons for allotment
September 8, 2011	5,200,000	52.10	Cash	Preferential allotment

For further details regarding such issuances of Equity Shares, see the section titled "Capital Structure" on page 85.

64. The Company does not own its Registered Office and other premises from which it operates.

The Company does not own the premises on which its Registered Office is situated and operates from rented and leased premises. The lease agreements are renewable at the Company's option upon payment of such rates as stated in these agreements. If the owner of such premises does not renew the agreement 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 which could have a material adverse effect on its business.

65. We have experienced negative cash flows in prior periods. Any negative cash flows in the future could adversely affect our business and working capital.

Our Company has, in the past, experienced negative cash flows. For example, as per the consolidated statement of cash flow of our Company, the net cash used in operating activities, after working capital adjustments, in Fiscal 2009 was negative ₹ 155.6 million, and the net cash used in investing activities was ₹ 13,794.3 million, ₹ 4,211.3 million, ₹ 5,184.2 million, ₹ 5,454.5 million, ₹ 680.3 million and ₹ 60.2 million (each in the negative) in the nine month interim period ended December 31, 2011 and Fiscals 2011, 2010, 2009, 2008 and 2007 respectively. Further, as per the restated consolidated statement of cash flow of our Company, there was a net decrease in cash and cash equivalents in Fiscal 2010. For details, see the section titled "Financial Statements" on page 243.

Some of the Subsidiaries and the Group Companies have experienced a net decrease in cash and cash equivalents as per their latest audited financial statement. The names of these Subsidiaries and the Group Companies, along with the amount of decrease in cash flow, are as follows:

Names of the Subsidiaries	Currency	Net decrease for fiscal 2011, unless stated otherwise
Motherson Auto Engineering Service Limited (w.e.f. December 1, 2010)	INR	310,294
Motherson Climate System Limited	INR	8,396,161
Motherson Molds and Diecasting Limited	INR	2,675,671
MothersonSumi Infotech and Designs Limited	INR	10,421,799
MSID U.S. Inc.	USD	11,565* (₹ 572,814.5)
Nachi Motherson Tool Technology Limited	INR	2,726,036
Saks Ancillaries Limited	INR	7,713,098
Samvardhana Motherson Holding (M) Private Limited	EURO	321,910 (₹ 20,813,702.7)

* The financial year is from October 1 to September 30, 2011

Names of the Group Companies	Currency	Net decrease for fiscal 2011, unless stated otherwise
A Basic Concepts Designs Pty. Limited	AUD	13,051* (₹ 686,134.1)
Advance Technologies and Automotive Resources Pte Limited	SGD	2,380# (₹ 93,424.3)
Field Motor Limited	INR	24,707,964
Moon Meadows Private Limited	INR	2,609,751
Motherson Engineering Research and Integrated Technologies Limited	INR	11,630
Sisbro Motor & Workshop Private Limited	INR	754,220
Style Motors Limited	INR	16,036

Systematic Conscom Limited	INR	38,241,514
Vaaman Auto Industry	INR	2,206

* The financial year is from January 1 to December 31, 2010.
# The financial year is from October 1 to September 30, 2010.

Negative cash flows of our Company and the Subsidiaries over extended periods, or significant negative cash flows in the short term, could materially impact our working capital and our ability to operate our business.

External Risks

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

Taxes and other levies imposed by authorities in the jurisdictions in which we operate that affect our tax liability include customs duties, excise duties, service tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive, and subject to change from time to time. We may be eligible for certain tax benefits, such as deductions under the Income Tax Act. We cannot assure you that such tax incentives will continue to be available in the future. Changes in or elimination of such tax incentives could affect our profitability, financial condition and results of operations. Imposition of any additional taxes and levies designed to limit the use of automobiles could adversely affect the demand for our products and our results of operations. Changes in taxation policies as well as changes in export and other incentives given by the various governments could also adversely affect our results of operations.

The Government of India has proposed a comprehensive national goods and services tax or Goods and Services Tax ("**GST**") regime that will combine taxes and levies by the central and state governments into one unified rate structure. While both the Government of India and other state governments of India have publicly announced that all committed incentives will be protected following the implementation of the GST, given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure might be affected by any disagreement between certain state governments, which could create uncertainty. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable.

The Direct Tax Code Bill 2010, or DTC, proposes to replace the existing Income Tax Act, 1961 and other direct tax laws, with a view to simplify and rationalize the tax provisions into one unified code. The DTC bill was placed before the Indian parliament for debate and discussion on August 30, 2010 and is proposed to come into effect from April 1, 2012. Various proposals included in the DTC bill are subject to review by the Indian parliament and as such their impact, if any, is not quantifiable at this stage.

Any slow down in the Indian economy, and in particular in the demand for automotive components and the demand for business of our customers could adversely affect our business.

67. Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, with which investors may be more familiar.

Our audited financial statements are prepared in conformity with Indian GAAP. Indian GAAP differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles and standards. If we were to prepare our financial statements in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. The significant accounting policies applied in the preparation of our financial statements are set forth in the notes to our restated consolidated financial information included in this Red Herring Prospectus. Prospective investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisors for an understanding of the differences between these accounting principles and those with which they may be more familiar.

68. Public companies in India, including us, may be required to prepare financial statements under IFRS or a variation thereof, Ind AS. The transition to IND AS in India is still unclear and we may be negatively affected by this transition.

Public companies in India, including us, may be required to prepare annual and interim financial statements under IFRS or a variation thereof. Recently, the ICAI has released a near-final version of the Indian Accounting Standards (Ind AS) 101 "First-time Adoption of Indian Accounting Standards" ("**Ind AS**"). The Ministry of Corporate Affairs of the Government, on February 25, 2011, has notified that Ind AS 101 will be implemented in a phased manner and the date of such implementation will be notified at a later date. As at the date of this Red Herring Prospectus, the MCA has not yet notified the date of implementation of IND AS. There is not yet a significant body of established practice on which to draw in forming judgments regarding its implementation and application. Additionally, IND AS has fundamental differences with 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 flow or changes in shareholders' equity will not appear materially different under IND AS than under Indian GAAP or IFRS. As we adopt IND AS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. 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 in accordance with the prescribed timelines may have a material adverse effect on our financial position and results of operations.

69. Our business and activities are regulated by competition laws.

The Company looks for strategic acquisitions that provide it with access to new geographies. Accordingly, the Company has historically undertaken various business acquisitions, in and outside India, including the acquisition of the rear view vision systems business of Visiocorp Plc from administration in March 2009 by Samvardhana Motherson Reflectec Group Holdings Limited and the broaches and gear cutting tools business undertaking of Dagger Forst Tools Limited. For further details, see the section titled 'Our Business' at page 146. Further, the Company has recently acquired the Peguform Group, details of which have been provided at length in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operation of our Company" at page 464.

Such acquisition and merger activities are regulated by the competition laws of the jurisdictions in which the business activity of the Company through its Subsidiaries, Joint Ventures and Other Consolidated Entities is carried on. These competition laws restrict or prohibit mergers or acquisitions that are anti-competition. It is difficult to predict the impact of these laws on our acquisition strategies. Further, compliance with such laws is costly and time consuming, thereby impacting our results of operation.

In particular, certain provisions of the Indian Competition Act, 2002, as amended, ("**Competition Act**") relating to acquisitions, mergers or amalgamations came into force on June 1, 2011. The effect of the Competition Act on the business environment in India is unclear. If our Company or any of our Subsidiaries, Joint Ventures and Other Consolidated Entities are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the Competition Commission of India, or any adverse publicity that may be generated due to scrutiny or prosecution by the Competition Commission of India, it may have an adverse affect on our business, prospects, results of operations, cash flows and financial condition.

RISKS RELATING TO THE ISSUE

70. *Any future issuance of Equity Shares may dilute your shareholding and sales of the Equity Shares by the Promoters or other major shareholders may adversely affect the trading price of the Equity Shares.*

Any future equity issuances by us, including a primary offering, may lead to the dilution of investors' shareholdings in the Company. Any future equity issuances by the Company or sales of the Equity Shares by the Promoters or other major shareholders may adversely affect the trading price of the Equity Shares, which may

lead to other adverse consequences for the Company including difficulty in raising debt financing. In addition, any perception by investors that such issuances or sales might occur may also affect the trading price of the Equity Shares.

Pursuant to a recent amendment to the Securities Contract (Regulations) Rules, 1957, as amended, Indian companies, other than public sector companies, that are seeking to list on the Stock Exchanges are required to achieve at least 25% public shareholding in the manner specified therein, with the term "public" excluding, among other things, the Promoters and Promoter Group. Upon listing, the Company will have approximately [●]% public shareholding. Under the regulations, the Company is required to ensure that it reaches the 25% threshold within three years of the date of listing of the Equity Shares in the Issue by increasing its public shareholding. This may require the Company to issue additional Equity Shares or require its Promoters or Promoter Group to sell their Equity Shares, which may adversely affect the trading price.

71. We cannot assure payment of dividend on the Equity Shares in future.

The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. There can be no assurance that we will pay dividends. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, we may not declare dividends on the Equity Shares. Additionally, we may in the future be restricted by the terms of our loan agreements, including loan agreements of our Subsidiaries, Joint Ventures and Other Consolidated Entities, to make any dividend payments unless otherwise agreed with the lenders.

72. There is no existing market for the Equity Shares, and we do not know if one will develop to provide you with adequate liquidity.

If the stock price of the Equity Shares fluctuates after this Issue, you could lose a significant part of your investment. As at the date of this Red Herring Prospectus, there is no market for the Equity Shares. Following the Issue, the Equity Shares are expected to trade on the NSE and BSE. There can be no assurance that active trading in the Equity Shares will develop after the Issue or, if such trading develops, that it will continue. You might not be able to rapidly sell your Equity Shares at the quoted price if there is no active trading in the Equity Shares.

The Issue Price will be determined by the book building process and may not be indicative of prices that will prevail in the open market following this Issue. The market price of the Equity Shares may be influenced by many factors, some of which are beyond our control, including:

- the failure of security analysts to cover our Equity Shares after this Issue, or changes in the estimates of our performance by analysts;
- the activities of competitors and suppliers;
- future sales of our equity shares by us or our shareholders;
- investor perception of us and the industry in which we operate;
- our quarterly or annual earnings or those of our competitors;
- developments affecting fiscal, industrial or environmental regulations;
- the public's reaction to our press releases and adverse media reports; and
- general economic conditions.

As a result of these factors, you may not be able to resell your Equity Shares at or above the initial offering price. In addition, the stock market often experiences price and volume fluctuations that are unrelated or disproportionate to the operating performance of a particular company. These broad market fluctuations and industry factors may materially reduce the market price of the Equity Shares, regardless of our operating performance.

73. 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 Equity 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 as a capital asset will not be subject to capital gains tax in India if Securities Transaction Tax ("**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.

74. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell Equity Shares or the price at which Equity Shares can be sold at a particular point in time.

Subsequent to listing, the Equity Shares will be subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India, which does not allow transactions beyond a certain volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on the Equity Shares' circuit breaker will be set by the stock exchanges based on historical volatility in the price and trading volume of the Equity Shares. The stock exchanges are not required to inform us of the percentage limit of the circuit breaker and they may change the limit without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

75. Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely affect the market price of the Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with, among other things, the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements, or falls under any of the exceptions referred to above, then the prior approval of the RBI will be required.

Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection or a tax clearance certificate from the income tax authority. We cannot assure investors that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

76. Our ability to raise foreign capital may be constrained under Indian law

As an Indian company, the Company is subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit the Company's financing sources for ongoing expansion plans or acquisitions and other strategic transactions, and hence could constrain its ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, the Company cannot assure investors that the required approvals will be granted to it without onerous conditions, or at all. Limitations on foreign debt may have a material adverse effect on the Company's business, prospects, results of operations, cash flows and financial condition.

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

The Articles of Association, regulations of the Board of Directors and Indian law govern the Company's 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 company 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 shareholders of the Company than as shareholders of a corporation in another jurisdiction.

78. Fluctuations in the exchange rate of the Rupee and other currencies could have a material adverse effect on the value of the Equity Shares, independent of our financial results.

The Equity Shares are quoted in Rupees on the BSE and the NSE. Any dividends in respect of the Equity Shares will be paid in Rupees and subsequently converted into appropriate foreign currency for repatriation. Any adverse movement in exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by shareholders. The exchange rate of the Rupee has changed substantially in the last two decades and could fluctuate substantially in the future, which may have a material adverse effect on the value of the Equity Shares and returns from the Equity Shares, independent of our operating results.

79. Investors may have difficulty enforcing foreign judgments against us or our management.

The Company is a limited liability company incorporated under the laws of India. Two of our six Directors and certain executive officers are residents of India. A substantial portion of our assets and the assets of the Directors and executive officers resident in India are located in India. As a result, it may be difficult for investors to effect service of process upon us or such persons outside India or to enforce judgments obtained against us or such parties outside 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 or if the judgments are in breach of or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amount recovered.

Prominent Notes

- Public issue of [●] Equity Shares for cash at a price of ₹ [●] per Equity Share including a share premium of ₹ [●] per Equity Share, aggregating ₹ 16,650 million* comprising the Fresh Issue and the Offer for Sale. It comprises of a Net Issue to the public aggregating ₹ [●] million and a reservation of up to 5% of the Issue Size constituting [●] Equity Shares for subscription by the Eligible Shareholders. The Issue and the Net Issue would constitute [●] % and [●] %, respectively, of the post Issue paid-up capital of our Company.

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  * *Subject to such revisions as permissible under the SEBI Regulations*

- The net worth of our Company as per our restated standalone financial statements and as per our restated consolidated financial statements, as of March 31, 2011 was ₹ 10,459.00 million and ₹ 14,769.20 million respectively. Further, the net worth of our Company as per our restated standalone financial statements and as per our restated consolidated financial statements, as of December 31, 2011 was ₹ 10,921.60 million and ₹ 14,332.40 million, respectively.

- The net asset value per Equity Share as per our restated standalone financial statements and as per our restated consolidated financial statements, as of March 31, 2011 was ₹ 22.33 and ₹ 31.50 respectively. Further, the net asset value per Equity Share as per our restated standalone financial statements and as per our restated consolidated financial statements, as of December 31, 2011 was ₹ 23.06 and ₹ 30.30, respectively.

- The average cost of acquisition per Equity Share by our Promoters is as follows:

Name of the Promoter	Number of Equity Shares held	Average cost of acquisition (in ₹)
Vivek Chaand Sehgal	117,103,476	6.28
Renu Sehgal	109,825,286	10.05
Laksh Vaaman Sehgal	105,014,384	7.27

For further details, see the section titled "Capital Structure" on page 85.

- During the period commencing from six months immediately preceding the date of the Draft Red Herring Prospectus, no financing arrangements existed whereby our Promoters, our Promoter Group, our Directors and their relatives may have financed the purchase of Equity Shares by any other person, other than in the normal course of the business of such financing entity.

- For details of the related party transactions entered into by our Company with our Subsidiaries and Group Companies, nature of transactions and cumulative value of transactions, see the section titled "Financial Statements- Related Party Disclosures under Accounting Standard 18- "Related Party Disclosure"" on page 345.

- For details of Group Companies having business interests or other interests in our Company, see the section titled "Financial Statements- Related Party Disclosures under Accounting Standard 18- "Related Party Disclosure"" on page 345.

- Investors may contact any of the Book Running lead Managers who have submitted due diligence certificate to SEBI for any complaints pertaining to the Issue. All grievances relating to ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSBs or the members of the Syndicate as the case may be, giving full details such as the name and address of the applicants, number of Equity Shares applied for, Bid Amounts blocked, ASBA Account number and the Designated Branch of the SCSBs where the Bid cum Application Form has been submitted by the ASBA Bidder.

SECTION III – INTRODUCTION

SUMMARY OF INDUSTRY

The information in this section is derived from various publicly available sources, government publications and other industry sources, including reports that have been prepared by Frost & Sullivan (S) Pte Ltd ("Frost & Sullivan") and CRISIL Limited ("CRISIL"). This information has not been independently verified by us, the Book Running Lead Managers, or their respective legal, financial or other advisors, and no representation is made as to the accuracy of this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and accordingly, investment decisions should not be based on such information.

CRISIL Limited has used due care and caution in preparing its report. Information has been obtained by CRISIL from sources which it considers reliable. However, CRISIL does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. No part of the report may be published/reproduced in any form without CRISIL's prior written approval. CRISIL is not liable for investment decisions which may be based on the views expressed in its report. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Rating Division, which may, in its regular operations, obtain information of a confidential nature that is not available to CRISIL Research.

Overview of the Global Passenger Vehicles Market

Overview

The automotive industry is one of the most important contributors to the global economy with global revenues estimated around €1.78 trillion in 2010 *(Source: Frost & Sullivan Report)*. It generates significant employment opportunities via its complex supply chain comprising component manufacturers, OEMs, dealers, distributors, service providers and providers of other ancillary products and services. The demand for vehicles - cars and trucks - is considered to be an important indicator in gauging a nation's economic health.

The global economic downturn impacted the automotive industry significantly from 2007 to 2009. However, the automotive industry rebounded strongly in 2010. LV production for 2010 was approximately 74.3 million units, which is an increase of 24.8% over the 2009 recessionary production level *(Source: Frost & Sullivan Report)*. Improved economic conditions and consumer confidence together with stable oil prices have resulted in higher demand for vehicles in 2010.

Industry Definition and Segmentation

The automotive industry is divided primarily into two major segments - light vehicles and heavy vehicles.

- Light vehicles consist of passenger cars, multi-purpose vehicles (MPVs), sport utility vehicles (SUVs) and sports cars as well as light commercial vehicles such as pick-up trucks, light trucks and vans.
- Heavy vehicles include trucks, buses, prime movers and special-purpose vehicles that are predominantly used for commercial applications.

Industry Volumes and Trends

Total global automotive LV production reached approximately 67.5 million units in 2008. Due to the global economic downturn, production volumes declined at an annual rate of 11.8% to reach approximately 59.5 million units in 2009. Following improved economic conditions and consumer sentiment, production volumes increased by 24.8% to 74.3 million units in 2010. Despite the overall declining market volumes during 2008 and 2009, the basic and small car segments cumulatively grew from approximately 15.8 million in 2008 to approximately 18.9 million in 2010 at an annual rate of 9.3%. *(Source: Frost & Sullivan Report)*

The global production of LV is expected to grow at a CAGR of 7.6% between 2010 and 2013 to reach approximately 92.5 million units in 2013. Enhanced purchasing power in emerging economies, further introduction of environmentally friendly vehicles, new/upgraded model line-ups and pent-up demand are likely to drive this growth. All major regions are expected to witness an increase in the production of passenger vehicles - NA (7.8%), EU (4.2%) and APAC (9.0 %) *(Source: Frost & Sullivan Report)*

Overview of the Indian Automotive Industry

The Government of India, through the Ministry of Heavy Industries and Public Enterprises, has implemented the Automotive Mission Plan 2006-2016, a 10-year plan aimed to sustain and accelerate the growth of the Indian automotive sector. This plan intends to double the contribution of the automotive sector to Indian GDP by increasing the sector's output to US$ 1.45 billion in 2016. The plan aims to achieve this output by emphasising the export of small cars, multi-utility vehicles, two- and three-wheelers and automotive components. The plan projects that the size of the automotive industry will reach between US$ 122 billion and US$ 159 billion by 2016, including US$ 35 billion in exports. This translates into a 10%-11% contribution to Indian GDP in 2016, or double the 2006 contribution from the automotive industry. *(Source: Automotive Mission Plan 2006-2016)*

There has been an increase in the production of commercial vehicles from 520,000 units in 2006-2007 to 752,597 units and of cars from 1,544,850 units to 2,986,797 units in 2010-2011.

Overview of the Global Automotive Components Market

Overview

The year 2009 was challenging for all automotive component manufacturers. Most of the prominent automotive component manufacturers witnessed low capacity utilization and made losses. The OE automotive components market is expected to grow at a rate of approximately 8.2% during the period 2010 to 2013 in tandem with the growth in vehicle production. The overall revenues of the top 50 automotive component suppliers are expected to reach approximately €472.4 billion in 2013, which is likely to account for approximately 60.0% of the total automotive components market revenues. *(Source: Frost & Sullivan Report)*

Industry Definitions and Segmentation

The automotive components market can be divided into two segments - OE components and aftermarket components.

OE components are procured by OEMs and are used in the production/assembly of new vehicles as well as for servicing the vehicles manufactured by OEMs. OE components for LV can be further categorized by functionality such as body parts, powertrain, chassis, electrical/electronics, interior/exterior parts and safety parts.

Aftermarket components are sold directly to spare parts dealers and distributors as well as independent (third-party) vehicle-servicing stations.

Analysis of the OE Rear View Mirrors Market

Industry Segmentation

The automotive rear view mirrors industry can be segmented into two main categories – exterior rear view mirrors and interior rear view mirrors. (*Source: Frost & Sullivan Report)*

OE Rear View Mirror Market – Global and Regional Trends

The global sales of OE automotive exterior rear view mirrors for LV increased from approximately 133.8 million units in 2008 to approximately 151.9 million units in 2010 at a CAGR of 6.5%. The global sales of OE automotive interior rear view mirrors for LV also witnessed an increase from approximately 67.5 million units in 2008 to approximately 74.3 million units in 2010 at a CAGR of 4.9%, which was in line with the global LV production

volumes.

Total revenues for the automotive OE rear view market (including exterior and interior rear view mirrors) are expected to reach approximately €4.2 billion by 2013. The production of OE exterior rear view mirrors is estimated to be approximately 189.2 million units with revenues of approximately €3.1 billion by 2013. The OE interior rear view mirror market is estimated to be approximately 92.5 million units with revenues of approximately €1.1 billion by 2013. *(Source: Frost & Sullivan Report)*

Industry Structure and Competitive Assessment

Competitive Assessment - Overall Rear View Mirrors Market

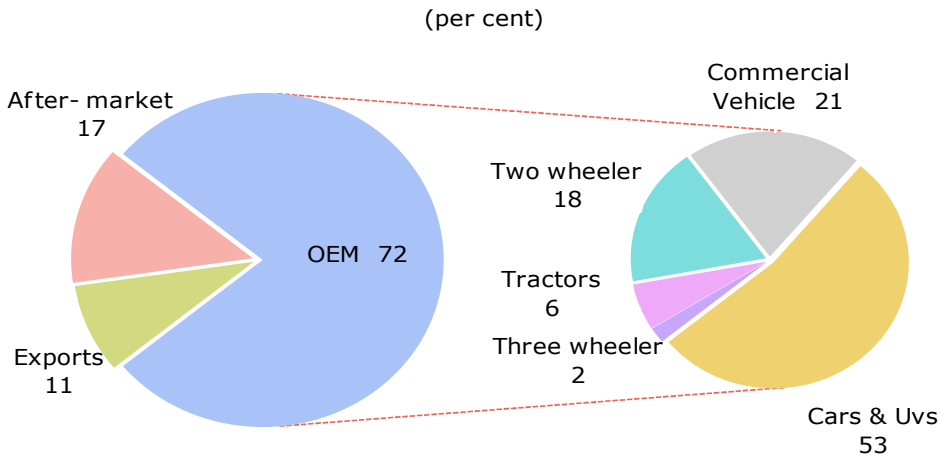
The global rear view mirror market is dominated by 6 major global participants who contribute approximately 83.0% of the global market in terms of sales volume. In addition, there are several smaller participants that cater to specific niches / segments and geographic regions.

The key participants within the overall rear view mirrors market are Magna Mirrors, SMR, Ficosa, Murakami, Ichikoh and Gentex. While Gentex is strong in the interior mirror market but not participating in the tier1 exterior mirror market, all other participants are present in both the exterior and interior rear view mirrors markets. Magna Mirrors and SMR have strongest presence in the exterior rear view mirror market while the interior rear view mirror market is dominated by Magna Mirrors, Ficosa and Gentex. (*Source: Frost & Sullivan Report)*

Indian Automotive Components Market

Production of automotive components can be divided on the basis of usage patterns across end-user segments. The broad classification would cover automotive component demand from OEMs, exports segment and after-markets. Further, within OEM demand, there is segregation based on different vehicle segments.

CRISIL Research estimates production for OEM demand at about 72%, followed by production for after-market at 17% and production for exports at 11%. Of the OEM demand, about 53% is driven by cars and utility vehicles.



(Source: CRISIL Research, Automotive Components, August 2011)

Key trends

CRISIL Research expects the automotive components industry to grow by 16-18% in 2011-12 and 13 15% in 2012-13. This growth will be driven by the domestic OEM segment, which comprises 72-73% of the total automotive

components demand. Growth will also be on account of a recovery in exports to key target markets such as the US and Europe, and an increase in realisations across off-take segments.

Growth Drivers

Several key drivers have attributed to growth in the Indian automotive component industry. These include:

- Rising per capita income and changing demographic distribution are conducive for growth. The trends indicate that small and medium cars are dominant, with a shift towards high end cars expected at a faster rate. Higher disposable incomes coupled with availability of easy finance options have driven the passenger vehicle segment.
- In the commercial vehicle segment, increased investment in road infrastructure and the availability of cheaper finance has led to growth in multi-axle vehicles. This is expected to be followed by a shift to tractor-trailer combinations on account of operating economics of higher power-to-weight ratio vehicles.
- Automotive component industry growth is directly linked to the growth of the automobile industry, since a significant proportion of sales is to OEMs. However, in recent years, component exports are becoming an important growth driver and it is expected to assume greater importance in the future.

(Source: Automotive Mission Plan 2006-2016)

SUMMARY OF BUSINESS

Unless otherwise stated, references in this section to the "Company" are to SMFL and references to "we", "our" or "us" are to the Company, its Subsidiaries, Joint Ventures and Other Consolidated Entities. "Other Consolidated Entities" includes SMFL's Associate Company and the subsidiaries, joint ventures and associates of MSSL which are consolidated in the financial statements of SMFL. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our restated consolidated financial information. This section should be read together with the sections titled "Risk Factors" and "Industry Overview" on pages 13 and 129, respectively.

Overview

The Company was incorporated on December 9, 2004 and undertakes the provision of design and manufacturing solutions, mainly to the automotive industry, through subsidiaries and joint ventures with partners in the relevant fields. By virtue of being a holding company (in the case of subsidiaries) or a joint venture partner, the share capital of such subsidiaries and joint ventures is held by the Company. We are an integrated design and manufacturing group providing full system solutions to diverse industries. Our principal focus is the automotive industry, globally and in India, and we are expanding the expertise and skills acquired in our automotive business into other sectors where we anticipate significant future growth. Through a combination of organic growth and acquisitions, we are now a multinational business with manufacturing and design capabilities as well as customers spread across multiple geographies. Within the automotive industry, we are one of the largest manufacturers of exterior rear view vision systems in the world. *(Source: Frost & Sullivan Report)*

Our businesses and products cover multiple areas of the automotive value chain as well as several non-automotive industries, and include:

- rear view vision systems;
- wiring harnesses;
- polymer processing, including assemblies and bumpers, cockpit assemblies and door trims, and tool manufacturing;
- elastomer processing;
- modules, such as automotive lighting products and heating, ventilation and air-conditioning systems;
- metal working, including cutting tools, broaches, bimetal band-saw blades and gear cutting tools and thin film coating metals;
- cabins for off-highway construction and agricultural vehicles;
- refrigeration systems;
- manufacturing support, including air compressors, paint coating equipment and auxiliary equipment for injection molding machines; and
- IT and design engineering for the automotive and non-automotive sectors.

We supply our components to automotive original equipment manufacturers ("**OEMs**") and other customers across the world. Our automotive OEM customers use our components primarily in passenger vehicles and commercial vehicles, which are sold in India and internationally. Our manufacturing locations are generally located close to major automotive manufacturers in order to facilitate supplies to our customers, and we have 120 manufacturing facilities, including 48 manufacturing facilities outside India, with a presence in 25 countries across the world. We are in the process of establishing new manufacturing facilities in India, Brazil, Mexico, Spain and Thailand.

Our major customers include the Volkswagen group, BMW, Daimler, Renault Nissan, Ford India Private Limited, Volvo Car Corporation, Maruti Suzuki, Tata Motors, Honda Siel Cars India Limited, Toyota Kirloskar Motor Private Limited and Fiat India Automobiles Limited. The 10 largest automotive OEM manufacturers in the world are our customers. *(Source: Frost & Sullivan Report)* Our five largest customers accounted for 59.3% of our consolidated income in the nine month interim period ended December 31, 2011. On a pro forma basis, assuming that the Peguform Group had been a part of our group for the entire nine month interim period ended December 31, 2011, the Volkswagen group would have accounted for over 50.0% of our consolidated revenue and our top 5 customers would have accounted for over 70.0% of our consolidated revenue. During the nine month interim period ended

December 31, 2011, approximately 22.5% of our consolidated income was from customers located in India, while 76.6% was from our customers located outside India.[1]

We provide an end-to-end range of design and manufacturing solutions to our automotive customers, including product concept and product design, engineering, prototyping and tool manufacturing, manufacturing and sub-assembly and the production of integrated modules. In addition, we continue to leverage our experience and the capabilities gained from our extensive operations in the automotive components sector to pursue potentially high growth opportunities in various non-automotive sectors. These include the manufacture of drop-down cabins for off-highway vehicles, refrigeration systems to cater to food logistics needs across the cold storage value chain, manufacturing support activities including the production of auxiliary components such as air compressors and paint guns and the provision of IT, engineering and design services to certain non-automotive sectors. Our major non-automotive customers include Hindustan Unilever Limited, Schneider Electric India Private Limited, GE Medical Systems India Ltd, Caterpillar India Ltd, and Ashok Leyland Limited. 3.7% of our consolidated income was contributed by our non-automotive products in the nine month interim period ended December 31, 2011.

SMFL operates its businesses through a number of Subsidiaries, Joint Ventures and Other Consolidated Entities. Our principal businesses in the automotive sector are held through MSSL, SMR and the Peguform Group. As of December 31, 2011, the Company holds 36.1% of the equity share capital of MSSL, a company listed on the Indian stock exchanges, which is engaged in, among other things, the manufacture of wiring harnesses, polymer processing and tool manufacturing and elastomer production. SMFL, along with MSSL, holds an equity interest in SMR, which is engaged in the manufacture of exterior and interior rear view vision systems. Additionally, SMFL and MSSL hold an equity interest in the Peguform Group and the Wethje Companies, which are engaged in the interior and exterior components and the carbon composites business, respectively. SMFL's other automotive businesses include metal working and modules such as automotive lighting products and heating, ventilation and air-conditioning systems, all of which are undertaken through various Subsidiaries, Joint Ventures and Other Consolidated Entities.

SMFL's principal non-automotive businesses are conducted through various Subsidiaries and Joint Ventures, including Fritzmeier Motherson Cabin Engineering Limited, which is engaged in the manufacture of drop-down cabins for off-highway vehicles and Motherson Zanotti Refrigeration System Limited, which undertakes the manufacture of transport and stationary refrigeration systems. We also undertake the provision of IT and engineering and design services to non-automotive customers through Motherson Sumi Infotech and Designs Limited.

Following our acquisition of the rear view vision systems business of Visiocorp and an equity shareholding in the Peguform Group, our consolidated total income grew from ₹ 9,360.1 million in Fiscal 2009 to ₹ 60,245.2 million in the nine month interim period ended December 31, 2011, while our consolidated net profits after tax decreased from ₹ 686.9 million in Fiscal 2009 to a loss of ₹ 1,278.2 million in the nine month interim period ended December 31, 2011, and our standalone total income increased from ₹ 122.8 million in Fiscal 2009 to ₹ 484.5 million in the nine month interim period ended December 31, 2011.

Our Strengths

Global customer base and strong relationships with major automotive OEMs

We have long-standing relationships with most of our customers, which include many of the major global automotive OEMs. We believe that the strength of our relationships with these customers is attributable to our consistent performance over time and the emphasis that we place on catering to our customers' needs, coupled with our access to technology.

We also believe that our reputation for quality and consistent performance is a key factor in our relationships with our customers. We carry out most of our critical manufacturing processes in-house, which allows us to monitor the

[1] As there are some "unallocated" revenues, the aggregate of the contributions of customers in India and outside India is not 100%."Unallocated" revenue comprises revenue from dividend income, interest income and other non-operating miscellaneous income, which cannot be allocated to any specific geographic location.

quality of our manufactured products throughout the production process. Our focus on quality is also reflected in the various quality certifications that we have obtained with respect to our manufacturing processes. Further, we seek to develop relationships with our vendors so as to ensure that we are supplied with high quality input materials for our products.

We have partnered with many of our key customers at various stages of the product development process, with our involvement commencing from the product design stage, through design validation and testing and up to final manufacturing and assembly operations. Our trust-based relationships with our customers ensure that we are constantly in communication with them and enable our products to meet their exacting specifications. We believe this is a significant competitive advantage, as our customers insist on suppliers who can provide high quality and reliable components for their products.

Market leadership position in exterior rear view vision systems

We are one of the largest manufacturers of exterior rear view vision systems in the world. In 2010, we had a 22.0% share of the global exterior rear view vision systems market based on sales volumes, rising to 25.0% when light commercial vehicles are excluded, making us the second-largest global manufacturer in this segment. *(Source: Frost & Sullivan Report)* We were the leading player in the European exterior rear view vision systems market with a market share of approximately 34.0% in 2010, and enjoyed a leading position in the North America and Asia-Pacific regions with a market share of approximately 25.0% and 17.0%, respectively, in 2010. In 2010, we had 57.0% of the market for exterior rear view vision systems in India. *(Source: Frost & Sullivan Report)*

Long term partnerships and collaborations with global technology leaders, facilitating access to cutting-edge technology

We have entered into joint ventures and partnerships with several multinational companies, including Sumitomo Wiring Systems Limited, Nachi Fujikoshi Corporation, Magneti Marelli Holding S.P.A., Calsonic Kansei Corporation, Woco Franz Josef Holding GmbH and Woco Industrietechnik GmbH, Kyungshin Industrial Corporation Limited, Spheros GmbH, F Holding GmbH, Austria, Zanotti S.P.A., Bergstrom Inc., U.S.A., Sojitz Corporation, Anest Iwata Corporation, Japan, Matsui Manufacturing Company Limited, Japan and Nissin Electric Company Limited, Japan. We believe our partners are industry and technology leaders in their respective markets, and that their technological capabilities and global reach and presence provide us with significant advantages and benefits across our businesses.

We believe that we have developed strong and long-standing relationships with these joint venture partners. For example, our relationship with Sumitomo Wiring Systems Limited spans over 25 years. These joint venture arrangements enable us to access and capitalise on the technologies and expertise developed by our partners while building a reputation for innovation and technical capability. We are able to leverage the combination of our partners' technologies with our own existing know-how and manufacturing capabilities to provide high quality automotive components to our customers. Additionally, we benefit from training offered to our employees by some of our joint venture partners.

Wide range of capabilities, enabling us to provide end-to-end solutions to our customers

We believe that we have established a strong presence across various product lines of the automotive components industry, such as rear view vision systems, wiring harnesses, polymer processing and tool manufacturing, metal cutting tools and integrated module systems. In the course of our experience in the automotive sector and in particular since the acquisition of Visiocorp's rear view vision systems business and the recent acquisition of an equity shareholding in the Peguform Group, we have also expanded our offerings to provide a full range of design and manufacturing solutions to our customers, including product concept and product design, engineering, manufacturing, sub-assembly and the production of integrated modules. We provide design engineering services at our product design and research facilities located around the world, which complements the development of new products. We are committed to working closely with our customers from the early stages of design and product development to engineering and manufacturing, and we believe this allows us to anticipate and develop solutions and provide value-added services to our customers at each stage of the process.

Over the years, we believe that we have become an integral part of many of our customers' manufacturing supply chains, offering not only product manufacturing but also innovations and solutions that help our customers meet their needs. We believe our suite of capabilities enables us to expand the range of products and services that we provide to our existing customers as well as pursue opportunities in other potentially high growth sectors. Our range of capabilities and our diversified product portfolio position us as an end-to-end solutions provider to our customers, while protecting us from variable demand for one or more particular products and against the obsolescence of some of our products.

Achieving synergies through horizontal and vertical integration

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

We believe that these synergies reduce our dependence on third party suppliers for a number of products and services, enabling us to streamline our production process and achieve shorter delivery and development lead times resulting in "just-in-time" production capabilities. Further, we are able to coordinate our manufacturing activities across our Subsidiaries, Joint Ventures and Other Consolidated Entities through our integrated supply chain and inventory management, engineering and design and information technology functions. Therefore, we believe that these horizontal and vertical synergies provide us with a significant operational advantage and help us achieve economies of scale.

Global manufacturing footprint arising from our philosophy of establishing production facilities close to our customers

We have global production, engineering, project management and customer support capabilities, with a presence in 25 countries across five continents, with a total of 120 manufacturing units. Our global presence gives us access to our customers on a localised basis, with most of our manufacturing facilities located in recognised automotive manufacturing areas and generally in close proximity to our automotive OEM customers. This proximity allows us to optimise our deliveries to our customers and facilitates greater interaction with our customers while enabling us to respond to their requirements in a timely manner. We believe this plays a role in the relationships that we have developed with our key customers over time. In addition, our global engineering team is structured to provide technical and design support for our global product development efforts. We have separate but inter-connected design and research centres located in the various regions in which we operate, to cater to the design needs of our automotive OEM customers on a regional basis. We believe that the interconnectivity of our design and research centres and the ability to share innovations and technological advancements across our network globally helps to improve our products in each of the regions in which we operate.

Experienced and well qualified management team and a strong employee base

Our operations are conducted by a well qualified management that has significant experience in all aspects of our business. Our management is led by Vivek Chaand Sehgal, who has been in the automotive components business for over 25 years. We believe that the strength and quality of our management team and its understanding of the global automotive component business enable us to identify and take advantage of strategic market opportunities. For example, we acquired Visiocorp's rear view vision systems business out of administration in 2009, and with the help of our management team, we integrated its business with ours and enabled it to generate a profit in its first year of operation subsequent to the acquisition. In addition, our management team has demonstrated its ability to effectively respond to changing local market conditions, and we believe we have the ability to adapt effectively while continuing to expand in our current markets as well as into new geographic and market segments.

Our Strategy

Our vision is to be a globally preferred solutions provider to the automotive and other industries, providing integrated full system solutions to our customers. The key elements of our growth strategy are as follows:

Evolve into an integrated, full system solutions provider to the automotive industry

We intend to expand our product range and services and increase our capability to cater to every step in the chain of supplying automotive components to our major customers, from the initial product design and validation, through tool design and manufacturing, finishing and processing, assembly, production of integrated modules and sequencing in-line supplies. We believe that our existing business lines of exterior and interior rear view vision systems, wiring harnesses, polymer processing and tool manufacturing, elastomers, design engineering, integrated modules, metal working, information technology and manufacturing support are complementary to each other. Similarly, we plan to source raw materials from various Subsidiaries, Joint Ventures and other Consolidated Entities of SMFL for the plastics components business of the Peguform Group. This depth of backward integration and the synergies achieved across our Subsidiaries, Joint Ventures and Other Consolidated Entities, coupled with our diversified product portfolio, provides us with significant quality control and cost control advantages, lesser reliance on third party sources and shorter delivery and development lead times.

Our proximity to our customers' operations and our ability to scale our operations to their requirements serve us in addressing our customers' needs. We plan to leverage our production capabilities, design expertise and information technology capabilities to enhance the vertical and technological integration of our global operations. By ensuring close cooperation across our product segments and operations, we intend to continually improve our engineering and product innovation processes and aid the conversion of new technologies into high quality, well-priced products. This will enable us to increase our supply of content per vehicle, becoming an integrated, full system solutions provider for our major customers, strengthening our relationships with them and ensuring a continued and growing demand for our products and services.

Grow inorganically and through overseas ventures to broaden our geographical footprint

We look for strategic acquisitions that will offer advantages across our businesses and provide us with access to new geographies, enhancing our technological capabilities and expanding our product range. We have grown through multiple joint ventures with global automotive component manufacturers, including Sumitomo Wiring Systems Limited, as well as acquisitions such as that of Visiocorp's rear view vision systems business through SMR and our acquisition of an 80% equity shareholding in the Peguform Group and 50% equity shareholding in the Wethje Companies. In light of this, we believe that we have a track record of growing organically and inorganically through such strategic acquisitions. Our strategy is to seek to acquire such assets with high growth potential, along with their existing customer contracts and relationships, and improve and stabilize their business through enhanced quality and delivery parameters and engineering support, coupled with our management know-how and experience. We believe that we have been successful in acquiring and integrating such assets and overseas ventures, and we believe we will continue to be able to do so, thereby expanding our product portfolio and customer-base and broadening our geographical footprint.

Expansion into emerging markets

Our growth strategy is based on the philosophy of following our customers into the markets in which they expand. Our strong ties with our major automotive OEM customers enable us to communicate and coordinate with them and seek to establish or acquire manufacturing facilities in areas that they propose to target for growth. We intend to continue to capitalise on our global presence and diversify by expanding our current operations into economies with high growth potential such as Brazil, Mexico, India, Spain and Thailand, where automotive OEMs are expanding their production and automobile ownership is expected to continue to grow rapidly. For example, we are establishing production facilities in Brazil for polymer processing. We believe that the technological innovations and the product range that we have acquired with the Peguform Group will enable us to expand our offerings to customers in emerging markets, allowing us to strengthen our existing relationships while attracting new customers through the Peguform Group's network. It further provides us with an opportunity to enter new markets, establish

new customer relationships and extend existing customer relationships by incorporating our entire product range into such relationships, while reducing our market risk by diversifying our geographic exposure.

Focus on increasing customer penetration through additional products and technological innovation

We have consistently followed a strategy of increasing our content per car. To this end, we seek to leverage our relationships with the major automotive OEMs to increase sales of our products through a combination of "top-down", "bottom-up" and "cross-product" penetration. "Top-down" penetration focuses on expanding the sales of those products that we develop for the performance and premium segments of the automotive market to the cost-driven segment of the automotive market. "Bottom-up" penetration focuses on leveraging our existing relationships with automotive manufacturers in the cost-driven segment to increase our sales to their performance and premium segment models, using low-cost, high-volume designs. Our "cross-product" penetration strategy focuses on advertising our additional product lines, including our engineering and design capabilities and our tool-manufacturing capabilities. Each of these strategies is intended to provide our customers with cost-management and efficiency advantages, building on our geographical proximity to our customers and our ability to provide them low-cost solutions.

Further, we increasingly seek to partner with our customers from the design stage in relation to each product, providing development support through our design and research centres located around the world. We further seek to enhance our technological capabilities through inorganic acquisitions as well as through partnering with global technology leaders. We intend to use these to expand into new product categories and segments, leveraging our existing knowledge base and new technologies to increase our product and customer base. We believe that the technologies and products that the Peguform Group gives us access to will enable us to offer our existing customer base additional, improved products, thereby further increasing our customer penetration and our contribution to the content per car.

Diversify and invest in businesses with high growth potential

Our experience of over 25 years in the automotive components business has enabled our management to develop an understanding of the automotive components market and related industries, while establishing internal policies and systems aimed at achieving production efficiencies. We intend to utilise our management's experience and industry knowledge to expand our businesses into ancillary industries with high growth potential, including:

- Modules for off-highway vehicles;
- Vehicle air-conditioning systems;
- Cold storage and refrigerated transport systems in the food chain logistics sector;
- Cutting tools which serve automotive and general industrial applications;
- Air compressors and high-end paint coating systems for general and certain niche industrial applications, including in the automotive sector; and
- Engineering and design capabilities.

With the development and growth of the construction and infrastructure industry, we believe that the market for technologically advanced, high-quality cabins and modules for off-highway vehicles will grow in India. Several of our Subsidiaries, Joint Ventures and Other Consolidated Entities, such as Spheros Motherson Thermal System Limited, Motherson Bergstrom HVAC Solutions Private Limited and Calsonic Kansei Motherson Auto Products Limited, which are engaged in the manufacture of heating, ventilation and air-conditioning systems for cars, buses and commercial and off-highway vehicles, and Fritzmeier Motherson Cabin Engineering Limited, which is engaged in the manufacture of high-end safety driver cabins for off-highway vehicles, are well positioned to tap into the growth potential in this sector. Additionally, we believe that India has a growing requirement for agricultural supply chain management and food chain logistics. In this context, our foray into the cold storage systems and refrigerated transport systems business through Motherson Zanotti Refrigeration System Limited and Motherson Climate System Limited has significant potential, and our links to the public distribution systems in several states provide us with an opportunity to develop this business further. Further, in the context of India's developing economy, the market for metal working solutions in India for the automotive industry as well as certain non-automotive sectors is showing significant growth potential. These industries source their metal working solutions largely from external suppliers.

We are seeking to tap this market through the expansion of our metal working division, to provide a wide range of cutting tools, broaches and hobs, precision metal machining and film coating to these customers. We believe this, in addition to our power train components manufacturing capabilities, represents a potential growth segment for us.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our restated standalone financial information as of and for the nine month interim period ended December 31, 2011 and as of and for the years ended March 31, 2011, 2010, 2009, 2008 and 2007 and from our restated consolidated financial information as of and for the nine month interim period ended December 31, 2011 and as of and for the the years ended March 31, 2011, 2010, 2009, 2008 and 2007. This financial information has been prepared in accordance with the Companies Act and the SEBI Regulations and presented in the section titled "Financial Information" on page 243. The summary financial information presented below should be read in conjunction with the sections titled "Management's Discussion and Analysis of Financial Conditions and Results of Operations" and "Financial Information" on pages 464 and 243, respectively.

Restated Statement of Assets and Liabilities of Samvardhana Motherson Finance Limited

S No	Particulars	As at December 31st	As at March 31st				
		2011	2011	2010	2009	2008	2007
		Currency: Indian Rupees in Millions					
A	**Fixed Assets**						
	Gross Block	0.6	0.5	0.2	0.0	-	-
	Less: Accumulated Depreciation	0.3	0.2	0.1	0.0	-	-
	Net Block	0.3	0.3	0.1	0.0	-	-
	Capital Work in Progress (including Capital Advances)	-	-	-	-	-	-
	Total	**0.3**	**0.3**	**0.1**	**0.0**	**-**	**-**
B	**Investments**	12,014.3	11,359.3	11,515.1	8,897.3	5,424.8	5,355.9
C	**Current Assets, Loans and Advances**						
	Inventories	-	-	-	-	-	-
	Sundry Debtors	3.9	5.0	3.6	2.0	-	-
	Cash and Bank Balances	20.9	174.1	14.6	194.8	11.0	46.0
	Loans and advances	524.3	470.6	199.9	-	5.2	0.2
	Total	**549.1**	**649.7**	**218.1**	**196.8**	**16.2**	**46.2**
D	**Liabilities & Provisions**						
	Secured Loans	1500.0	1,500.0	1,250.0	-	-	-
	Unsecured Loans	-	-	128.5	207.0	-	-
	Liabilities	89.9	14.3	21.8	7.2	2.5	0.1
	Provisions	52.2	36.0	5.1	0.3	-	-
	Deferred Tax Liability (Net)	-	-	-	-	-	-
	Total	**1642.1**	**1,550.3**	**1,405.4**	**214.5**	**2.5**	**0.1**
	Net Worth (A+B+C-D)	**10921.6**	**10,459.0**	**10,327.9**	**8,879.6**	**5,438.5**	**5,402.0**
	Net Worth Represented By:						
E	Share Capital (including Preference Capital)	4736.1	4,684.1	5,397.5	3,470.5	3,001.8	80.5
F	Share Application Money	-	-	-	2,250.0	-	2,921.3
G	Reserves and Surplus	6,240.0	5,774.9	4,930.4	3,159.1	2,436.7	2,400.2
H	Less: Miscellaneous Expenditure to the extent not written off/adjusted	54.5	-	-	-	-	-
	Net Worth	**10,921.6**	**10,459.0**	**10,327.9**	**8,879.6**	**5,438.5**	**5,402.0**

The above statement should be read with the Significant Accounting Policies, appearing in Annexure IV; Notes to the Restated Financial Information, appearing in Annexure V and Statement of Adjustments to Audited Financial Statements, appearing in Annexure VI.

Restated Statement of Profit and Loss Account of Samvardhana Motherson Finance Limited

	For the nine months' interim period ended December 31st	For the year/ period ended March 31st				
	2011	2011	2010	2009	2008	2007*
	Currency: Indian Rupees in Millions					
INCOME						
Consultancy Income	2.6	4.5	12.9	2.1	-	-
Income from Investments	479.1	373.7	218.3	120.7	78.9	0.3
Other Income	2.8	27.7	1.8	-	-	-
Total Income (A)	**484.5**	**405.9**	**233.0**	**122.8**	**78.9**	**0.3**
EXPENDITURE						
Personnel Expenses	10.8	7.7	5.8	0.4	-	-
Administrative Expenses	64.2	77.4	85.2	10.1	20.2	1.6
Interest and Finance Charges	147.9	166.0	80.3	7.0	0.3	0.0
Total Expenditure (B)	**222.9**	**251.1**	**171.3**	**17.5**	**20.5**	**1.6**
Profit/(Loss) Before Depreciation (A-B)	**261.6**	**154.8**	**61.7**	**105.3**	**58.4**	**(1.3)**
Depreciation (C)	0.1	0.1	0.1	0.0	-	-
Profit/(Loss) Before Taxation (A-B-C)	**261.5**	**154.7**	**61.6**	**105.3**	**58.4**	**(1.3)**
Tax Expense						
Current Tax	16.4	37.5	10.0	1.2	-	0.1
Deferred Tax/ (Credit)	-	0.2	(0.2)	-	-	-
Less: Income Tax for earlier years	-	0.0	-	(0.0)	-	0.0
TOTAL (D)	**16.4**	**37.7**	**9.8**	**1.2**	**-**	**0.1**
Net Profit / (Loss) Before Restatement Adjustments (A-B-C-D)	**245.1**	**117.0**	**51.8**	**104.1**	**58.4**	**(1.4)**
Restatement Adjustments:						
Material adjustments relating to previous years	1.0	13.9	12.5	(5.1)	(21.9)	(0.4)
Tax impact of above adjustments	-	-	-	-	-	-
Deferred tax (expense) adjustments	-	0.2	(0.2)	-	-	-
Current tax (expense) adjustments for earlier years	-	0.0	(0.0)	(0.0)	-	(0.0)
Net Profit / (Loss) as Restated	**246.1**	**131.1**	**64.1**	**99.0**	**36.5**	**(1.8)**
Balance brought forward from previous year, as restated	328.5	197.4	133.3	34.3	(2.2)	(0.4)
Balance Carried to Balance Sheet, as restated	**574.6**	**328.5**	**197.4**	**133.3**	**34.3**	**(2.2)**

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*** Seventeen Months period ended March 31, 2007**

The above statement should be read with the Significant Accounting Policies, appearing in Annexure IV; Notes to the Restated Financial Information, appearing in Annexure V and Statement of Adjustments to Audited Financial Statements, appearing in Annexure VI.

Restated Statement of Cash Flows of Samvardhana Motherson Finance Limited

		For the nine months' interim period ended December 31st	For the year/ period ended March 31 st				
		2011	2011	2010	2009	2008	2007*
		Currency: Indian Rupees in Millions					
A	**Cash flows from operating activities:**						
	Restated Net profit/ (loss) before taxation	262.5	168.6	74.1	100.2	36.5	(1.7)
	Adjustments for:						
	Depreciation	0.1	0.1	0.1	0.0	-	-
	Interest Expense	144.1	160.8	79.5	5.9	-	-
	Processing Fee	3.6	4.3	-	-	-	-
	Unrealised Foreign exchange (gain)/loss	(2.9)	0.5	-	-	-	-
	Interest Income	(52.8)	(44.2)	(13.4)	(1.4)	(0.3)	(0.3)
	Income from Investments – Dividend	(426.3)	(285.5)	(204.8)	(119.3)	(78.6)	-
	(Profit)/Loss on sale of Investments	-	(43.9)	0.2	-	-	-
	Tax Deducted on Consultancy Income	(0.3)	(0.5)	(1.3)	-	-	-
	Provision for Gratuity and Compensated absences	0.1	0.5	0.6	-	-	-
	Provision for Penalty (Paid)	(1.0)				1.0	
	Provision for diminution in value of Investments	10.5	29.9	41.4	5.0	20.9	0.5
	Operating profit / (loss) before working capital changes	**(62.4)**	**(9.4)**	**(23.6)**	**(9.6)**	**(20.5)**	**(1.5)**
	Adjustments for changes in working capital :						
	- (Increase)/Decrease in Sundry Debtors	1.1	(1.4)	(1.6)	(2.0)	-	-
	- (Increase)/Decrease in Other Receivables[1]	(421.0)	(8.4)	(95.5)	0.0	0.0	(0.1)
	- Increase/(Decrease) in Trade and Other Payables	22.2	0.2	8.2	1.8	1.4	0.0
	Cash generated from / (used in) operations before tax and dividend income	**(460.1)**	**(19.0)**	**(112.5)**	**(9.8)**	**(19.1)**	**(1.6)**
	- Dividend Received	419.3	285.5	204.8	119.3	78.6	-
	- Interest Received on short term loans	23.4	4.9	5.9	1.4	0.3	0.3
	Net cash from / (used in) operating activities	**(17.4)**	**271.4**	**98.2**	**110.9**	**59.8**	**(1.3)**
	Taxes (Paid) / Received	**(5.0)**	**(2.2)**	**(4.6)**	**(1.2)**	**-**	**(0.2)**
	Net cash from/(used in) operating activities	**(22.4)**	**269.2**	**93.6**	**109.7**	**59.8**	**(1.5)**
B	**Cash flows from Investing activities:**						
	Purchase of fixed assets	(0.1)	(0.3)	(0.2)	0.0	-	-
	Proceeds from sale of long term Investments (shares)	29.6	49.3	-	-	-	-
	Proceeds from sale of Investments (mutual funds)- (net)	(28.4)	506.5	-	-	-	-
	Purchase of investments (shares)[1]	(289.1)	(385.9)	(2,659.3)	(3,477.6)	(89.8)	(73.2)
	Loan given to Subsidiaries (long term) - (net)	-	(248.9)	(104.5)	5.0	(5.0)	-
	Interest received on long term loan	34.5	21.0	7.5	-	-	-
	Net cash from/ (used in) investing activities	**(253.5)**	**(58.3)**	**(2,756.5)**	**(3,472.6)**	**(94.8)**	**(73.2)**
C	**Cash flows from financing activities:**						
	Interest paid	(136.8)	(168.6)	(73.1)	(2.4)	-	-
	Processing fee paid	(3.6)	(4.3)	-	-	-	-
	Proceeds from fresh issue of Share Capital	270.9	-	1,384.3	1,092.1	-	60.0

	Advance received against share capital	-	-	-	2,250.0	-	-
	Proceeds from borrowings	-	1,410.0	1,250.0	207.0	-	-
	Repayment of borrowings	-	(1,288.5)	(78.5)	-	-	-
	Share Issue Expenses incurred and paid	(7.8)	-	-	-	-	-
	Net cash from/ (used in) financing activities	**122.7**	**(51.4)**	**2,482.7**	**3,546.7**	**-**	**60.0**
D	**Cash acquired on amalgamation**	**-**	**-**	**-**	**-**	**-**	**40.6**
	Net Increase/(Decrease) in Cash & Cash Equivalents	**(153.2)**	**159.5**	**(180.2)**	**183.8**	**(35.0)**	**25.9**
	Cash and cash equivalents as at beginning of the year	**174.1**	**14.6**	**194.8**	**11.0**	**46.0**	**20.1**
	Cash and cash equivalents as at the year end	**20.9**	**174.1**	**14.6**	**194.8**	**11.0**	**46.0**
	Cash and cash equivalents comprises:						
	Cash in Hand	0.1	0.2	0.1	0.1	0.2	0.1
	Cheques in Hand	-	0.1	1.7	-	0.1	0.0
	Balance with Scheduled Banks in Current Account	20.8	150.3	12.8	194.7	10.7	45.9
	Balance with Scheduled Banks in Deposit Account	-	23.5	-	-	-	-

*** Seventeen Months period ended March 31, 2007**

[1] Refer Note 6 on Annexure V for details of Non Cash Transactions being conversion of loans given into share application money/investments.

The above Cash Flows Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard – 3 on "Cash Flow Statements" notified u/s 211(3C) of the Companies Act, 1956.

The above statement should be read with the Significant Accounting Policies, appearing in Annexure IV; Notes to the Restated Financial Information, appearing in Annexure V and Statement of Adjustments to Audited Financial Statements, appearing in Annexure VI.

Restated Consolidated Statement of Assets and Liabilities of Samvardhana Motherson Finance Limited

Sr. No.	Particulars	As at December 31	As at March 31				
		2011	2011	2010	2009	2008	2007
		Currency: Indian Rupees in Millions					
A	**Fixed Assets**						
	Gross Block	77,479.1	33,809.1	30,259.4	26,456.7	6,626.6	6,100.3
	Less: Accumulated Depreciation & Amortization	36,595.4	15,287.0	13,227.0	11,455.0	946.1	744.9
	Net Block	**40,883.7**	**18,522.1**	**17,032.4**	**15,001.7**	**5,680.5**	**5,355.4**
	Less: Revaluation Reserve	27.6	27.6	-	-	-	-
	Net Block after adjustment of Revaluation Reserve	**40,856.1**	**18,494.5**	**17,032.4**	**15,001.7**	**5,680.5**	**5,355.4**
	Capital Work in Progress (including Capital Advances)	4,295.1	2,859.3	1,218.3	765.6	128.5	49.8
	Total	**45,151.2**	**21,353.8**	**18,250.7**	**15,767.3**	**5,809.0**	**5,405.2**
B	**Investments**	**1,090.9**	**475.5**	**990.8**	**548.0**	**128.6**	**86.9**
C	**Current Assets, Loans and Advances**						
	Inventories	16,865.8	6,561.2	4,528.2	3,897.3	708.8	501.0
	Sundry Debtors	17,144.8	6,813.9	5,568.5	4,147.3	873.2	647.6
	Cash and Bank Balances	5,961.8	2,758.6	2,547.2	2,553.4	882.6	364.6
	Loans and advances	5,542.7	2,758.8	2,463.4	2,984.6	458.9	360.5
	Total	**45,515.1**	**18,892.5**	**15,107.3**	**13,582.6**	**2,923.5**	**1,873.7**
D	**Deferred Tax Assets**	**680.1**	**279.2**	**163.9**	**17.8**	**14.1**	**3.9**
E	**Liabilities & Provisions**						
	Secured Loans	35,343.7	9,349.9	7,828.9	5,492.5	972.8	258.7
	Unsecured Loans	3,833.1	1,604.0	847.8	1,440.9	704.3	762.6
	Liabilities	30,563.1	12,008.9	9,508.2	9,104.9	1,023.0	664.6
	Provisions	2,498.2	1,367.7	1,694.3	2,398.7	239.6	212.2
	Deferred Tax Liability	1,014.4	159.8	122.0	135.1	21.5	22.4
	Total	**73,252.5**	**24,490.3**	**20,001.2**	**18,572.1**	**2,961.2**	**1,920.5**
F	**Minority Interest**	**4,852.4**	**1,741.5**	**1,576.8**	**1,009.4**	**176.0**	**80.1**
	Net Worth (A+B+C+D-E-F)	**14,332.4**	**14,769.2**	**12,934.7**	**10,334.2**	**5,738.0**	**5,369.1**
	Net Worth Represented By:						
G	Share Capital (including Preference Capital)	4,736.1	4,684.1	5,397.5	3,470.5	3,001.8	80.5
H	Share Application Money		-	-	2,250.0	-	2,921.3
I	Reserves and Surplus	9,678.4	10,112.7	7,544.0	4,705.0	2,826.2	2,493.8
	Less: Revaluation Reserve	27.6	27.6	-	-	-	-
	Reserves and Surplus (net of Revaluation Reserve)	**9,650.8**	**10,085.1**	**7,544.0**	**4,705.0**	**2,826.2**	**2,493.8**
J	Less : Miscellaneous Expenditure (to the extent not written off/adjusted)	54.5	-	6.8	91.3	90.0	126.5
	Net Worth	**14,332.4**	**14,769.2**	**12,934.7**	**10,334.2**	**5,738.0**	**5,369.1**

The above statement should be read with the Basis of Preparation and Significant Accounting Policies, appearing in Annexure IV; Notes to the Consolidated Restated Financial Information, appearing in Annexure V and Statement of Adjustments to Audited Consolidated Financial Statements, appearing in Annexure VI

Restated Consolidated Statement of Profit and Loss of Samvardhana Motherson Finance Limited

Particulars	For the nine months' interim period ended December 31	For the years/ period ended 31				
	2011	2011	2010	2009	2008	2007
				Currency: Indian Rupees in Millions		
INCOME						
Net Sale of Finished Goods	58,615.5	55,121.4	48,414.0	8,279.8	4,916.4	656.9
- Manufactured	57,854.6	54,522.2	48,217.3	8,089.8	4,776.2	597.6
- Traded	760.9	599.2	196.7	190.0	140.2	59.3
Income from Services	959.2	1,223.7	730.6	149.5	121.7	17.8
Other Income	670.5	819.9	1,468.3	930.8	107.3	11.4
Total Income (A)	**60,245.2**	**57,165.0**	**50,612.9**	**9,360.1**	**5,145.4**	**686.1**
EXPENDITURE						
Material Consumed	37,758.2	35,002.7	30,436.5	5,049.3	2,736.6	373.4
Employee Cost	10,279.7	9,698.6	9,552.7	1,297.7	661.4	82.3
Other Expenditure	9,568.4	7,428.8	6,845.6	1,633.0	1,015.4	128.4
Total Expenditure (B)	**57,606.3**	**52,130.1**	**46,834.8**	**7,980.0**	**4,413.4**	**584.1**
Profit Before Interest, Depreciation, Taxation & Extra-ordinary items (A-B)	**2,638.9**	**5,034.9**	**3,778.1**	**1,380.1**	**732.0**	**102.0**
Depreciation & Amortization	1,683.7	1,704.2	1,903.4	368.9	240.8	28.5
Interest and Finance Charges (net)	1,290.6	621.7	623.4	210.7	57.0	7.8
Total (C)	**2,974.3**	**2,325.9**	**2,526.8**	**579.6**	**297.8**	**36.3**
Profit / (Loss) Before Taxation & Extra-Ordinary items (A-B-C)	**(335.4)**	**2,709.0**	**1,251.3**	**800.5**	**434.2**	**65.7**
Provision for Taxation						
Current Tax (including wealth tax)	905.2	1,063.1	646.2	121.2	139.9	20.5
Deferred Tax Expense / (Credit)	26.0	(65.4)	(143.7)	(10.2)	(11.2)	0.4
Fringe Benefit Tax	20.9	34.8	4.8	9.6	5.8	0.9
TOTAL (D)	**952.1**	**1,032.5**	**507.3**	**120.6**	**134.5**	**21.8**
Net Profit/ (Loss) after taxation before Extra-Ordinary Items & Adjustments (A-B-C-D)	**(1,287.5)**	**1,676.5**	**744.0**	**679.9**	**299.7**	**43.9**
Add: Share of profit of associates (net)	9.3	9.9	13.0	7.0	12.6	1.6
Net Profit/ (Loss) Before Restatement Adjustments	**(1,278.2)**	**1,686.4**	**757.0**	**686.9**	**312.3**	**45.5**
-- Concern share	(911.2)	1,400.0	699.6	566.1	321.1	46.0
-- Minority	(367.0)	286.4	57.4	120.8	(8.8)	(0.5)
Restatement Adjustments:						

Particulars	For the nine months' interim period ended December 31	For the years/ period ended 31				
	2011	2011	2010	2009	2008	2007
				Currency: Indian Rupees in Millions		
a. Material adjustments relating to previous years	(132.0)	117.3	2.5	(1.9)	(2.0)	(2.3)
b. Deferred tax impact of the above adjustments	(0.1)	(0.3)	(0.2)	0.4	0.3	0.6
c. Current tax impact of the above adjustments	16.2	(14.8)	(0.1)	-	-	-
d. Impact of provision (current tax) of earlier years written back	(133.8)	133.8	-	-	-	-
e. Deferred tax not recognized earlier	-	-	1.9	0.3	0.2	-
Net Profit/ (Loss) before adjustments on account of changes in accounting policies	**(1,527.9)**	**1,922.4**	**761.1**	**685.7**	**310.8**	**43.8**
a. Adjustments on account of changes in Accounting Policies	-	(0.3)	0.3	(107.9)	(0.1)	(0.9)
b. Deferred Tax impact of the above adjustments	-	(0.0)	(0.0)	0.0	-	-
Net Profit/ (Loss), as Restated	**(1,527.9)**	**1,922.1**	**761.4**	**577.8**	**310.7**	**42.9**
-- Concern share	(1,113.6)	1,592.5	704.0	475.7	319.5	43.4
-- Minority	(414.3)	329.6	57.4	102.1	(8.8)	(0.5)
Addition on change in holding in consolidated companies	15.4	64.0	194.0	-	18.2	-
Adjustment on account of Amalgamation	-	(219.4)	-	-	-	-
Addition on change in holding in consolidated companies on Restatement	2.8	-	-	-	-	-
Add: Balance brought forward from previous year, as Restated	2,651.3	1,402.7	648.9	242.6	(18.7)	(2.5)
Surplus Available for Appropriations, as Restated	**1,555.9**	**2,839.8**	**1,546.9**	**718.3**	**319.0**	**40.9**
APPROPRIATIONS						
Transfer to Capital Redemption Reserve	-	-	8.0	-	-	-
Transfer to General Reserve	2.9	124.0	91.6	44.8	60.5	56.3
Proposed Dividend on Preference Shares of consolidated companies	2.2	5.4	3.9	1.9	2.0	1.9
Tax paid by consolidated companies	79.4	59.1	40.7	22.7	13.9	1.4
TOTAL	**84.5**	**188.5**	**144.2**	**69.4**	**76.4**	**59.6**
Balance Carried to Balance Sheet, as restated	**1,471.4**	**2,651.3**	**1,402.7**	**648.9**	**242.6**	**(18.7)**

The above statement should be read with the Basis of Preparation and Significant Accounting Policies, appearing in Annexure IV; Notes to the Restated Consolidated Financial Information, appearing in Annexure V and Statement of Adjustments to Audited Consolidated Financial Statements, appearing in Annexure VI.

Restated Consolidated Statement of Cash Flows of Samvardhana Motherson Finance Limited

(Indian Rupees in Millions)

	Particulars	For the nine months' interim period ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
		December 31, 2011	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
A	**Cash flows from operating activities:**						
	Restated Net profit before tax	(458.1)	2,835.9	1,267.1	697.7	444.7	64.1
	Adjustments for:						
	Share of Profit of Associates (net)	(9.3)	(9.9)	(13.1)	(7.1)	(13.1)	(1.5)
	Depreciation & Amortization (including impairment)	1,683.3	1,702.6	1,902.1	370.8	242.3	30.7
	Technical Fees included in Legal & Professional	-	-	-	-	5.6	-
	Interest Expense	1,334.0	680.1	680.6	239.9	78.0	12.7
	Interest Income	(43.4)	(58.4)	(57.2)	(29.2)	(21.0)	(4.9)
	Income from Investment - Dividends	(7.9)	(8.6)	(4.7)	(3.8)	(0.1)	-
	Interest on Finance Lease	22.0	33.2	2.6	-	16.6	1.6
	(Profit)/Loss on Fixed Assets sold	(81.4)	(84.4)	(24.3)	(2.4)	(53.1)	(0.1)
	Loss on sale of Investments	-	-	0.2	-		-
	Provision for diminution in value of Investments	-	13.8	6.4	16.7	5.1	-
	Miscellaneous Expenditure written off	-	-	-	-	39.7	6.1
	Debts / Advances Written off	28.7	73.8	16.4	8.0	-	0.6
	Provision for Bad & Doubtful Debts / Advances	8.4	8.1	1.6	4.7	4.0	0.4
	Provision for employee benefits	223.8	74.9	(12.8)	7.1	15.9	5.0
	Unrealised foreign exchange (gain) /loss	773.6	(96.4)	(11.4)	128.4	(5.2)	(5.6)
	Profit on Sale of Investment in subsidiaries and joint ventures	(38.8)	(41.3)	-	-	-	-
	Provision for warranty	62.1	16.0	22.7	4.5	(1.8)	(0.4)
	Other Provisions	(205.2)	(352.9)	(83.1)	43.3	(1.9)	0.2
	Contribution from business stakeholders' consequent to acquisition		-	-	(825.7)	-	-
	Operating profit before working capital changes	**3,291.8**	**4,786.5**	**3,693.1**	**652.9**	**755.7**	**108.9**
	Adjustments for changes in working capital :						
	- (Increase)/Decrease in Sundry Debtors	900.1	(1,444.5)	(1,309.3)	(43.5)	(216.2)	(90.4)
	- (Increase)/Decrease in Other Receivables	1,137.8	(336.2)	742.8	(235.4)	(65.1)	17.5
	- (Increase)/Decrease in Inventories	196.6	(2,151.1)	(522.5)	(45.1)	(202.0)	(37.1)
	- Increase/(Decrease) in Trade and Other Payables	(2,880.7)	2,605.0	(288.0)	(302.6)	339.2	39.5
	Cash generated from operations	**2,645.6**	**3,459.7**	**2,316.1**	**26.3**	**611.6**	**38.4**
	- Taxes (Paid) / Received (Net of TDS)	(735.4)	(890.0)	(736.9)	(181.9)	(125.6)	(18.2)
	Net cash from / (used in) operating activities	**1,910.2**	**2,569.7**	**1,579.2**	**(155.6)**	**486.0**	**20.2**

	Particulars	For the nine months' interim period ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
		December 31, 2011	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
B	**Cash flows from Investing activities:**						
	Purchase of fixed assets including capital work in progress						
	- Addition During the year	(5,647.8)	(4,952.2)	(3,102.4)	(1,208.1)	(727.7)	(49.9)
	Sale of Investment in Mutual Funds	25.0	507.2	-	-	-	-
	Purchase of Investment in Mutual Funds	(53.4)	(10.2)	(532.4)	-	-	-
	Proceeds from sale of fixed assets	131.9	331.9	330.5	32.8	80.6	0.9
	Proceeds from sale of Investment in subsidiaries and joint ventures	28.4	54.0	-	-	-	-
	Proceeds from sale of current Investments	12.8	4.5	0.2	0.5	-	-
	Purchase of minority interest in subsidiary	0.0	-	(7.0)	-	-	-
	Purchase of Investments	(184.9)	(4.3)	(2.9)	(24.9)	(33.6)	(12.8)
	Interest Received	38.3	45.6	34.6	28.1	19.7	1.6
	Dividend Received	0.8	8.6	4.6	3.8	0.1	-
	Consideration paid on acquisition of associates Ventures	(384.5)	-	-	-	-	-
	Consideration paid on acquisition of subsidiaries & Joint Ventures	(7,760.9)	(196.4)	(1,909.4)	(4,286.7)	(19.4)	-
	Net cash (used in) investing activities	**(13,794.3)**	**(4,211.3)**	**(5,184.2)**	**(5,454.5)**	**(680.3)**	**(60.2)**
C.	**Cash flows from financing activities:**						
	Proceeds from Issue of Share Capital	270.9	-	1,482.8	3,342.1	-	46.0
	Share issue expenses incurred and paid	(7.8)	-				
	Proceeds from Minority Shareholders	184.5	19.6	285.0	308.6	77.5	33.4
	Proceeds from Joint Venturer	-	-	4.2		-	-
	Long term borrowings						
	Receipts	21,667.5	3,232.6	2,245.6	1,518.5	718.2	31.3
	Payments	(9,455.8)	(1,295.4)	(1,119.5)	(59.1)	(129.0)	(1.3)
	Short term borrowings						
	- Receipts	2,359.9	998.7	1,704.6	1,949.3	16.6	42.2
	- Payments	(2,196.7)	(1,436.4)	(513.5)	(218.7)	(46.1)	(27.7)
	Proceeds from Cash Credit (net)	1,865.3	1,100.5	160.7	(91.8)	135.8	-
	Interest on Finance Lease	(22.0)	(33.2)	(2.6)	(6.4)	(16.6)	(1.6)
	Interest Paid	(1,142.4)	(678.1)	(605.7)	(189.9)	(33.5)	(11.6)
	Dividend Paid	(10.0)	(3.5)	(6.0)	(3.7)	-	-
	Dividend Tax Paid	(79.4)	(40.7)	(34.9)	(20.3)	(13.3)	(1.4)
	Net cash from financing activities	**13,434.0**	**1,864.1**	**3,600.7**	**6,528.6**	**709.6**	**109.3**
	Net Increase/(Decrease) in Cash & Cash Equivalents	1,549.9	222.5	(4.3)	918.5	515.3	69.3
	Cash and cash equivalents - Opening	**2,758.6**	**2,547.2**	**2,553.4**	**882.6**	**364.6**	**6.0**
	- Cash and Cash Equivalents on	1,601.2	(67.8)	143.7	728.3	(1.8)	288.0

Particulars	For the nine months' interim period ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
	December 31, 2011	**March 31, 2011**	**March 31, 2010**	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**
acquisition – (Disposal) in subsidiary and JV						
Total Cash and Cash Equivalents as per Statement of cash flows	**5,909.7**	**2,701.9**	**2,692.8**	**2,529.4**	**878.1**	**363.3**
Cash and cash equivalents comprise						
Cash In Hand	18.7	12.6	9.3	28.6	2.0	2.0
Cheques In Hand	151.9	29.2	96.5	3.9	47.6	2.3
Deposit Account	554.0	239.5	257.8	603.9	236.4	217.7
Balance with Banks	5,237.2	2,477.3	2,183.6	1,917.0	596.6	142.6
Total Cash and cash equivalents *	**5,961.8**	**2,758.6**	**2,547.2**	**2,553.4**	**882.6**	**364.6**
Cash and Cash Equivalents include :						
Cash & bank balances as per Balance Sheet (restated)	5,961.8	2,758.6	2,547.2	2,553.4	882.6	364.6
Net Unrealised Loss/(Gain) on Foreign Currency Cash & Equivalents	(52.1)	(56.7)	145.6	(24.0)	(4.5)	(1.3)
Total	**5,909.7**	**2,701.9**	**2,692.8**	**2,529.4**	**878.1**	**363.3**
*Includes Cash not available for use with the Group of ₹ in million	287.8	20.1	16.9	67.3	5.2	81.0

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard – 3 on "Cash Flow Statements" notified u/s 211(3C) of the Companies Act, 1956

The above statement should be read with the Basis of Preparation and Significant Accounting Policies, appearing in Annexure IV; Notes to the Restated Consolidated Financial Information, appearing in Annexure V and Statement of Adjustments to Consolidated Financial Statements, appearing in Annexure VI.

THE ISSUE

The following table summarizes the Issue details:

Issue aggregating ₹ 16,650 million[†]	[●] **Equity Shares**
Consisting of:	
Fresh Issue aggregating ₹ 13,440 million[†]	[●] Equity Shares
Offer for Sale aggregating ₹ 3,210 million [†] [(1)]	[●] Equity Shares
Of which:	
Shareholder Reservation Portion[(2)]	Up to [●] Equity Shares
Net Issue	Up to [●] Equity Shares
Of which:	
QIB Portion[(2)]	Not more than [●] Equity Shares
Of which:	
Anchor Investor Portion[*]	Up to [●] Equity Shares
Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Up to [●] Equity Shares
Of which:	
Mutual Fund Portion	[●] Equity Shares
Balance for all QIBs including Mutual Funds	[●] Equity Shares
Non-Institutional Portion[(2)]	Not less than [●] Equity Shares
Retail Portion[(2)]	Not less than [●] Equity Shares
Pre and post-Issue Equity Shares	
Equity Shares outstanding prior to the Issue	473,613,855 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Use of proceeds of this Issue	See the section titled "Objects of the Issue" on page 99. Our Company will not receive any proceeds from the Offer for Sale.

[†] *Subject to such revisions as permissible under the SEBI Regulations.*

[*] *Our Company may, in consultation with the Book Running Lead Managers, allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis out of which at least one-third will be available for allocation to domestic Mutual Funds only. For further details, see the section titled "Issue Procedure" on page 525. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion.*

[(1)] The Selling Shareholder has, pursuant to resolutions of its board of directors, dated September 21, 2011 and April 12, 2012, authorised the sale of [●] Equity Shares aggregating ₹ 3,210.00 million[*] as part of the Offer for Sale. These Equity Shares have been held for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus with SEBI and, hence, are eligible for being offered for sale in the Issue.

[*] *Subject to such revisions as permissible under the SEBI Regulations*

[(2)] In the event of under-subscription in the Shareholder Reservation Portion, the unsubscribed portion shall be added to the Net Issue. In the event of under-subscription in the Net Issue, spill-over to the extent of under-subscription shall be permitted from the Shareholder Reservation Portion to the Net Issue, subject to the Net Issue constituting 10% of the post Issue capital of our Company. In the event of under-subscription in any of the categories in the Net Issue, the unsubscribed portion would be allowed to be met with spill over from over-subscription from any other category or a combination of categories at the sole discretion of the Company, in consultation with the Book Running Lead Managers.

GENERAL INFORMATION

Our Company was incorporated as Samvardhana Motherson Finance Limited on December 9, 2004 under the Companies Act. For further details, see the section titled "History and Certain Corporate Matters" on page 175.

Registered office of our Company

Samvardhana Motherson Finance Limited
2nd Floor, F-7, Block B-1
Mohan Cooperative Industrial Estate, Mathura Road
Delhi 110 044, India
Registration no. 55-131118

Corporate office of our Company

C-1, A&B, Sector 1, Noida
Gautam Budh Nagar
Uttar Pradesh 201 301, India

Address of Registrar of Companies

Our Company is registered with the Registrar of Companies, National Capital Territory of Delhi and Haryana, situated at the following address:

The Registrar of Companies
National Capital Territory of Delhi and Haryana
4th Floor, IFCI Tower
61, Nehru Place
New Delhi 110 019
India

Board of Directors

Our Board of Directors comprises the following:

Name	Age	Designation	DIN	Address
Vivek Chaand Sehgal	55	Executive Chairman and Executive Director	00291126	22, Gwin Gana Crescent, Glen Waverly, Victoria 3150, Australia
Laksh Vaaman Sehgal	29	Non- Executive, Non-Independent Director	00048584	B-300, New Friends Colony, New Delhi 110 025, India
Hiroto Murai	45	Non- Executive, Non-Independent Director	00735880	408, Higashi Suma 8, Chou- 5 Ban, Kouto-ku, Tokyo 1360 074, Japan
Hiroshi Morimoto	71	Non- Executive, Independent Director	02657113	2-18-24, Minoshi Osaka, Japan 5620044
Sushil Chandra Tripathi	66	Non- Executive, Independent Director	00941922	No. 27, Sector 15-A, Noida, Gautam Budh Nagar, Uttar Pradesh, 201301
Satya Pal Talwar	72	Non- Executive, Independent Director	00059681	163, 16th Floor, Beach Tower,, PB Marg, Prabhadevi, Mumbai, 400025

For further details of the Directors, see the section titled "Our Management" on page 216.

Details of the Selling Shareholder

Corporate information

Radha Rani Holdings is a company incorporated under the laws of Republic of Singapore on February 17, 1996 and has its registered office at 42B Horne Road, Singapore 209 066. Radha Rani Holdings is authorised to engage in the business of traders, importers, exporters, managers and investment companies and it is an erstwhile overseas corporate body as defined under Foreign Exchange Management (Deposit) Regulations, 2000.

Promoter of Radha Rani Holdings

The promoter of Radha Rani Holdings is JSRR Holdings (M) Pvt. Limited, a company incorporated under the laws of Mauritius, which wholly owns and controls Radha Rani Holdings. JSRR Holdings (M) Pvt. Limited is wholly owned and controlled by JBJ Development Inc., a company incorporated under the laws of British Virgin Islands. JBJ Development Inc. is wholly owned and controlled by JBJK Growth Trust, a discretionary irrevocable trust established under the laws of British Virgin Islands. The trustee of JBJK Growth Trust is Pollux Trustee Services Limited; a company incorporated under the laws of Switzerland and is managed and controlled by its board of directors. The sole beneficiary of JBJK Growth Trust is Vivek Chaand Sehgal.

Board of directors of Radha Rani Holdings

The board of directors of Radha Rani Holdings comprises:

1. Vivek Chaand Sehgal
2. Juliana Kassim
3. Kok Yin Keong Eddy

Shareholding pattern of Radha Rani Holdings

JSRR Holdings (M) Pvt. Limited holds 100,000 equity shares of Singapore dollar 1 each, and 40 preference shares of USD 25,000 each, which constitute 100% of the issued share capital of Radha Rani Holdings.

Company Secretary and Compliance Officer

Pooja Mehra is the Company Secretary and the Compliance Officer of our Company. Her contact details are as follows:

C-1, A&B
Sector 1, Noida
Gautam Budh Nagar
Uttar Pradesh 201 301, India
Telephone: +91 120 6752 293
Facsimile: +91 120 2445 160
Email ID: compliance@smfl.in

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre- or post-Issue related problems, such as non-receipt of Allotment Advice, credit of Allotted shares in the respective beneficiary account and refund orders.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, application number, address of the applicant, number of Equity Shares applied for, amount paid on application, Depository Participant and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB, giving full details such as name, address of applicant, application number, number of Equity Shares applied for, amount paid on application and designated branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidder.

Book Running Lead Managers

Standard Chartered Securities (India) Limited
1st Floor, Standard Chartered Tower
201B/1, Western Express Highway
Goregaon (E), Mumbai 400 063, India.
Telephone: +91 22 4205 6117
Facsimile: +91 22 6115 4899
Email ID: smfl_ipo@sc.com
Website: www. standardcharteredsecurities.co.in
Investor Grievance ID: investor@sc.com
Contact Person: Rohan Saraf
SEBI Registration Number: INM000011542

J.P. Morgan India Private Limited[1]
J.P. Morgan Tower
Off C.S.T Road, Kalina, Santacruz (E)
Mumbai 400 098, India.
Telephone: +91 22 6157 3000
Facsimile +91 22 6157 3911
Email ID: smfl_ipo@jpmorgan.com
Website: www.jpmipl.com
Investor Grievance ID:
investorsmb.jpmipl@jpmorgan.com
Contact Person : Rahul Bajaj
SEBI Registration Number: INM000002970

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[1]*The SEBI registration of J.P. Morgan India Private Limited was valid up to October 31, 2011. An application for grant of certificate of permanent registration in the prescribed manner has been made by J.P. Morgan India Private Limited on July 29, 2011, to SEBI, three months before the expiry of the period of the certificate as required under Regulation 8A(1) of the SEBI Merchant Bankers Regulations. The approval from SEBI is currently awaited*

Domestic Legal Counsel to the Company

Luthra & Luthra Law Offices
103, Ashoka Estate
24, Barakhamba Road
New Delhi 110 001
Telephone: + 91 11 4121 5100
Facsimile: + 91 11 2372 3909

Domestic Legal Counsel to the Book Running Lead Managers

Amarchand & Mangaldas & Suresh A. Shroff & Co.
Amarchand Towers
216, Okhla Industrial Estate
Phase III, New Delhi 110 020
Telephone: +91 11 2692 0500
Facsimile: +91 11 2692 4900

International Legal Counsel to the Book Running Lead Managers

Linklaters Allen & Gledhill Pte. Ltd.
One Marina Boulevard
No. 28-00
Singapore 018989
Telephone: +65 6890 7300
Facsimile: +65 6890 7308

Registrar to the Issue

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (West)
Mumbai 400 078
Maharashtra, India
Telephone: +91 22 2596 0320

Facsimile: +91 22 2596 0329
E-mail: sml.ipo@linkintime.co.in
Investor Grievance ID: sml.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Sanjog Sud
SEBI Registration No.: INR000004058

Auditors to the Company

Price Waterhouse
Building 8, Tower B
7th & 8th floor
DLF Cyber City
Gurgaon 122 022
Haryana, India
Firm Registration no.: FRN 012754N
Telephone: +91 124 4620 538
Facsimile: +91 124 4620 620
Email ID: joy.jain@in.pwc.com

Escrow Collection Banks

Axis Bank Limited
B-2, B-3, Sector- 16
Noida, Uttar Pradesh 201 301
Telephone: +91 120 426 2498/ 251 0751
Fascimile: +91 120 251 0737
Email: richa1.sharma@axisbank.com
Website: www.axisbank.com
Contact person: Richa Sharma
SEBI Registration Number: INBI 00000017

DBS Bank Limited
First Floor, Fort House
221, D.N. Road
Fort, Mumbai 400 001
Telephone: +91 22 6617 8973/ 6613 1213
Fascimile: +91 22 6752 8470
Email: amolnatekar@dbs.com
Website: www.dbs.com
Contact person: Amol Natekar
SEBI Registration Number: INBI 00000992

HDFC Bank Limited
FIG- OPS Department, Lodha
I Think Techno Campus
O-3, Level, Next to Kanjurmarg Railway Station
Kanjurmarg (East), Mumbai 400 042
Telephone: +91 22 3075 2928
Fascimile: +91 22 2579 9801
Email: uday.dixit@hdfcbank.com
Website: www.hdfcbank.com
Contact person: Uday Dixit
SEBI Registration Number: INBI 00000063

ICICI Bank Limited
Capital Markets Division
30, Mumbai Sanchar Marg
Mumbai 400 001
Telephone: +91 22 6631 0312/ 6631 0311
Fascimile: +91 22 2261 1138/ 6631 0350
Email: anil.gadoo@icicibank.com
Website: www.icicibank.com
Contact person: Anil Gadoo
SEBI Registration Number: INBI 00000004

Kotak Mahindra Bank Limited
Kotak Mahindra Bank, 5th Floor
Dani Corporate Park 158, CST Road
Kalina Santacruz (E)
Mumbai 400 098
Telephone: +91 22 6759 5336
Fascimile: +91 22 6759 5374
Email: amit.kr@kotak.com
Website: www.kotak.com
Contact person: Amita Kumar
SEBI Registration Number: INBI 00000927

Standard Chartered Bank
Crescenzo, 3rd Floor, C/38-39
G-Block, Opposite MCA Club
Bandra-Kurla Complex, Bandra (East)
Mumbai 400 051
Telephone: +91 22 2675 7227
Fascimile: +91 22 2675 7358
Email: ipo.scb@sc.com
Website: www.standardchartered.com
Contact person: Priscilla Dsilva
SEBI Registration Number: INBI 00000885

Banker to the Issue

Axis Bank Limited
B-2, B-3, Sector- 16
Noida, Uttar Pradesh 201 301
Telephone: +91 120 426 2498/ 251 0751
Fascimile: +91 120 251 0737
Email: richa1.sharma@axisbank.com
Website: www.axisbank.com
Contact person: Richa Sharma
SEBI Registration Number: INBI 00000017

Refund Banker

ICICI Bank Limited
Capital Markets Division
Rajabahadur Mansion, 30
Mumbai Samachar Marg, Fort
Mumbai
Telephone: +91 22 6631 0312/ 6631 0322
Fascimile: +91 22 6631 0350
Email: viral.bharani@icicibank.com
Website: www.icicibank.com
Contact person: Viral Bharani
SEBI Registration Number: INBI 00000004

Bankers to the Company

Axis Bank Limited
Statesman House, 2nd Floor
148- Barakhamba Road
New Delhi 110 001
Telephone: +91 11 4368 2400
Fascimile: +91 11 4368 2447

ICICI Bank Limited
Regional Office, ICICI Bank Tower
NBCC Place
Bhishm Pitamah Marg, Pragati Vihar
New Delhi 110 003
Telephone: +91 11 3027 8112
Facsimile: +91 11 2439 0070

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1334742653596.html or at such other website as may be prescribed by SEBI from time to time.

Appraising Entities

None of the objects of the Fresh Issue have been appraised.

IPO Grading

This Issue has been graded by ICRA Limited, a SEBI registered credit rating agency, and has been assigned "IPO Grade 4", indicating above-average fundamentals vide their letter dated April 12, 2012. The IPO grading is assigned on a five point scale from 1 to 5, with "IPO Grade 5" indicating strong fundamentals and "IPO Grade 1" indicating poor fundamentals. For details in relation to the rationale/ description furnished by the IPO grading agency, see Annexure: IPO Grading Report beginning on page 574.

Monitoring Agency

Axis Bank Limited
Axis House, C-2
Wadia International Centre
Pandurang Budhkar Marg
Worli, Mumbai 400 025
Telephone: +91 22 2425 2525
Fascimile: +91 22 2425 4200

Experts

Except for the report of the Auditors dated April 20, 2012 on the restated standlone financial information, restated consolidated financial information and unaudited pro forma financial information, the report provided by the Auditors on statement of tax benefits dated April 20, 2012, the report of OWT✓ Oberrheinische Wirtschaftstreuhand GmbH dated January 24, 2012 on financial information of relevant entities in relation to acquisition of Peguform companies, and the report of ICRA Limited in respect of the IPO grading of this Issue annexed to the Red Herring Prospectus, our Company has not obtained any expert opinions. The Auditors are not "experts" as defined under the Securities Act.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

"Any person who:

(a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or
(b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years."

Inter-se Allocation of Responsibilities among the Book Running Lead Managers

The following table sets forth the *inter se* allocation of responsibilities for various activities among the Book Running Lead Managers for the Issue:

S.no	Activities	Responsibility	Coordinator
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, etc.	Standard Chartered, J.P. Morgan*	Standard Chartered
2.	Due diligence of the Company's operations/ management/ business plans/ legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus. The Book Running Lead Managers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of Prospectus and RoC filing of the same	Standard Chartered, J.P. Morgan*	Standard Chartered
3.	Drafting and approval of all statutory advertisements	Standard Chartered, J.P. Morgan*	Standard Chartered
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (3) above including corporate advertisement, brochure, etc.	Standard Chartered, J.P. Morgan*	J.P. Morgan
5.	Appointment of all other intermediaries (eg. Registrar(s), Printer(s) and Banker(s) to the Issue, Advertising agency etc.)	Standard Chartered, J.P. Morgan*	JP Morgan

S.no	Activities	Responsibility	Coordinator
6.	Preparation and finalization of the road-show presentation	Standard Chartered, J.P. Morgan*	Standard Chartered
7.	Domestic institutional marketing including banks/ mutual funds and allocation of investors for meetings and finalizing road show schedules	Standard Chartered, J.P. Morgan*	JP Morgan
8.	International institutional marketing including allocation of investors for meetings and finalizing road show schedules.	Standard Chartered, J.P. Morgan*	Standard Chartered
9.	Non-Institutional & retail marketing of the Issue, which will cover, among other things, • Formulating marketing strategies, preparation of publicity budget • Finalising media and PR strategy • Finalising centres for holding conferences for brokers etc • Finalising collection centres, and • Follow-up on distribution of publicity and Issue material including form, prospectus and deciding on the quantum of the Issue material	Standard Chartered, J.P. Morgan*	Standard Chartered
10.	Pricing and managing the book	Standard Chartered, J.P. Morgan*	J.P. Morgan
11.	Coordination with Stock Exchanges for book building software, bidding terminals etc.	Standard Chartered, J.P. Morgan*	J.P. Morgan
12.	Post Issue activities, which shall involve essential follow-up steps including follow-up with Bankers to the Issue and SCSBs to get quick estimates of collection and advising the Issuer about the closure of the Issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-Issue activity such as Registrars to the Issue, Bankers to the Issue, SCSBs, etc. including responsibility for underwriting arrangements, as applicable.	Standard Chartered, J.P. Morgan*	J.P. Morgan

**The SEBI registration of J.P. Morgan India Private Limited was valid up to October 31, 2011. An application for grant of certificate of permanent registration in the prescribed manner has been made by J.P. Morgan India Private Limited on July 29, 2011, to SEBI, three months before the expiry of the period of the certificate as required under Regulation 8A(1) of the SEBI Merchant Bankers Regulations. The approval from SEBI is currently awaited.*

Credit Rating

As this is an Issue of Equity Shares, there is no credit rating for this Issue.

Trustees

As this is an Issue of Equity Shares, the appointment of trustees is not required.

Book Building Process

Book building refers to the process of collection of Bids on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms. The Issue Price will be determined by our Company, in consultation with the Book Running Lead Managers, after the Bid Closing Date. The principal parties involved in the Book Building Process are:

(A) our Company;
(B) the Selling Shareholder;

(C) the Book Running Lead Managers;
(D) the Registrar to the Issue;
(E) the Escrow Collection Banks; and
(F) SCSBs.

This Issue is being made through the Book Building Process where up to 50% of the Net Issue will be allocated on a proportionate basis to QIBs. Further, 5% of the QIB Portion will be available for allocation on a proportionate basis to Mutual Funds only. The remainder will be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. In addition, not less than 15% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Any Bidder may participate in this Issue through the ASBA process by providing the details of the ASBA Accounts in which the corresponding Bid Amounts will be blocked by the SCSBs. QIBs and Non-Institutional Bidders can participate in the Issue only through the ASBA process. Retail Individual Bidders have the option to participate through the ASBA process. Anchor Investors are not permitted to participate through the ASBA process. For more information, specific attention is invited to the section titled "Issue Procedure" on page 525.

In the event of under-subscription in the Shareholder Reservation Portion, the unsubscribed portion shall be added to the Net Issue. In the event of under-subscription in the Net Issue, spill-over to the extent of under-subscription shall be permitted from the Shareholder Reservation Portion to the Net Issue, subject to the Net Issue constituting 10% of the post Issue capital of our Company. In the event of under-subscription in any of the categories in the Net Issue, the unsubscribed portion would be allowed to be met with spill over from over-subscription from any other category or a combination of categories at the sole discretion of the Company, in consultation with the Book Running Lead Managers.

In accordance with the SEBI Regulations, QIBs are not allowed to withdraw their Bid(s) after the Bid Closing Date. For further details, see the section titled "Issue Structure" on page 521.

Our Company will comply with the SEBI Regulations and any other ancillary directions issued by SEBI for this Issue. The Selling Shareholder confirms that it will comply with the SEBI Regulations and any other directions issued by SEBI, as applicable to such Selling Shareholder in relation to the Equity Shares offered by such Selling Shareholder under the Offer for Sale.

The Book Building Process under the SEBI Regulations is subject to change from time to time and Bidders are advised to make their own judgment about investment through this process prior to making a Bid in the Issue.

Steps to be taken by the Bidders for bidding:

- Check eligibility for making a Bid. For further details, see the section titled "Issue Procedure- Who can Bid" on page 527;
- Ensure that you have a PAN and a beneficiary account. Details including DP ID, Client ID and beneficiary account are correctly mentioned in the Bid cum Application Form. Based on these three parameters, the Registrar to the Issue will obtain details of the Bidders from the Depositories including Bidder's name, bank account number etc.;
- Ensure that the Bid cum Application Form is duly completed as per the instructions given in the Red Herring Prospectus and in the respective forms;
- Except for Bids on behalf of the Central or State Government and the officials appointed by the courts, for Bids of all values ensure that you have mentioned your PAN in the Bid cum Application Form (see the section titled "Issue Procedure" on page 525). However, Bidders residing in the State of Sikkim are exempted from the mandatory requirement of PAN. The exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Bids, the Registrar will check from the Depository records for the appropriate description under the PAN field;

- Bids by QIBs (excluding Anchor Investors) at any of the Syndicate ASBA Bidding Locations shall be submitted to the members of the Syndicate. Bids by QIBs (excluding Anchor Investors) through physical ASBA at any Bidding Centre other than a Syndicate ASBA Bidding Locations shall be submitted directly to the Designated Branches of the SCSBs; and
- Bids by ASBA Bidders may be submitted in the physical mode to the members of the Syndicate at the Syndicate ASBA Bidding Locations and either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained. ASBA Bidders should ensure that the specified bank accounts have adequate credit balance at the time of submission of the Bid cum Application Form to the SCSB or the Syndicate ASBA Bidding Locations, as the case may be, to ensure that the Bid cum Application Form is not rejected.

Illustration of Book Building Process and the Price Discovery Process

(Bidders should note that the following is solely for the purpose of illustration and is not specific to the Issue)

Bidders can bid at any price within the Price Band. For instance, assuming a price band of ₹ 20 to ₹ 24 per share, an issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below, the illustrative book would be as given below. A graphical representation of the consolidated demand and price would be made available at the bidding centers during the bidding period. The illustrative book shown below indicates the demand for the shares of the company at various prices and is collated from bids from various bidders.

Bid Quantity	Bid Price (₹)	Cumulative Quantity	Subscription (%)
500	24	500	16.67
1,000	23	1,500	50.00
1,500	22	3,000	100.00
2,000	21	5,000	166.67
2,500	20	7,500	250.00

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., ₹ 22 in the above example. The issuer, in consultation with the book running lead managers, will finalize the issue price at or below such cut off, i.e. at or below ₹ 22. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Withdrawal of the Issue

In accordance with the SEBI Regulations, our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, reserves the right not to proceed with the Issue at anytime including after the Bid Opening Date, without assigning the reasons thereof. Provided, if our Company and the Selling Shareholder withdraw the Issue after the Bid Closing Date, our Company and the Selling Shareholder will give the reason thereof within two days of the Bid Closing Date by way of a public notice in the same newspapers where the pre-Issue advertisement had appeared. The Stock Exchanges shall also be informed promptly and the Book Running Lead managers, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts specified by the ASBA Bidders within one day from the date of receipt of such notification.

In the event our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, withdraw the Issue after the Bid Closing Date, a fresh offer document will be filed with the RoC/SEBI in the event we subsequently decide to proceed with the Issue.

Notwithstanding the foregoing, the Issue is subject to obtaining the final trading approvals of the Stock Exchanges with respect to the Equity Shares issued in the issue, which our Company will apply for only after Allotment and dispatch of refunds within 12 Working Days of the Bid Closing Date.

BID/ISSUE PROGRAMME*	
BID OPENING DATE: WEDNESDAY, MAY 2, 2012	**BID CLOSING DATE: FRIDAY, MAY 4, 2012**

[*] *Our Company may consider participation by Anchor Investors. The Anchor Investors shall Bid during the Anchor Investor Bidding Period, i.e., one Working Day prior to the Bid Opening Date.*

Bids and any revision in Bids will be accepted **only between 10 a.m. and 5.00 p.m. (Indian Standard Time)** during the Bidding Period as mentioned above at the bidding centers mentioned in the Bid cum Application Form, the Designated Branches and the bidding centers of the members of the Syndicate at the Syndicate ASBA Bidding Locations, except that on the Bid Closing Date, Bids will be accepted **only between 10 a.m. and 3.00 p.m. (Indian Standard Time)** and uploaded until (i) 4.00 p.m in case of Bids by QIBs, Non Institutional Bidders and Eligible Shareholders bidding under the Shareholder Reservation Portion, and (ii) 5.00 p.m in case of Retail Individual Bidders, which may be extended up to such time as deemed fit by the Stock Exchanges.

Due to limitation of time available for uploading the Bids on the Bid Closing Date, Bidders are advised to submit their Bids one day prior to the Bid Closing Date and, no later than 3.00 p.m (Indian Standard Time) on the Bid Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will only be accepted on Working Days.

On the Bid Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received from Retail Individual Bidders and Eligible Shareholders bidding under the Shareholder Reservation Portion, after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid cum Application Forms and reported by the Book Running Lead Managers to the Stock Exchanges within half an hour of such closure.

Our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, reserve the right to revise the Price Band during the Issue Period in accordance with the SEBI Regulations. The Cap Price will be less than or equal to 120% of the lower end of the Price Band and the lower end of the Price Band will not be less than the face value of the Equity Shares. Subject to compliance with the immediately preceding sentence, the lower end of the Price Band can move up or down to the extent of 20% of the lower end of the Price Band and the upper end of the Price Band will be revised accordingly.

In case of revision in the Price Band, the Issue Period will be extended for at least three additional Working Days after revision of Price Band subject to the Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, by indicating the change on the websites of the Book Running Lead Managers and by intimation to the SCSBs.

Underwriting Agreement

After the determination of the Issue Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholder will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. The Underwriting Agreement shall not apply to the subscription by ASBA Bidders who have submitted their Bids directly to the SCSBs. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC.

Details of the Underwriters	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (₹ In million)
Standard Chartered Securities (India) Limited 1st Floor, Standard Chartered Tower 201B/1, Western Express Highway Goregaon (E), Mumbai 400 063, India.	[●]	[●]

Details of the Underwriters	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (₹ In million)
Telephone: +91 22 4205 6117 Facsimile: +91 22 6115 4899 Email ID: smfl_ipo@sc.com Website: www. standardcharteredsecurities.co.in Investor Grievance ID: investor@sc.com Contact Person: Rohan Saraf SEBI Registration Number: INM000011542		
J.P. Morgan India Private Limited[1] J.P. Morgan Tower Off C.S.T Road, Kalina, Santacruz (E) Mumbai 400 098, India. Telephone: +91 22 6157 3000 Facsimile +91 22 6157 3911 Email ID: smfl_ipo@jpmorgan.com Website: www.jpmipl.com Investor Grievance ID: investorsmb.jpmipl@jpmorgan.com Contact Person : Rahul Bajaj SEBI Registration Number: INM000002970	[●]	[●]

[1]*The SEBI registration of J.P. Morgan India Private Limited was valid up to October 31, 2011. An application for grant of certificate of permanent registration in the prescribed manner has been made by J.P. Morgan India Private Limited on July 29, 2011, to SEBI, three months before the expiry of the period of the certificate as required under Regulation 8A(1) of the SEBI Merchant Bankers Regulations. The approval from SEBI is currently awaited.*

The above-mentioned is indicative underwriting and this will be finalised after pricing and actual allocation and subject to Regulation 13(2) of the SEBI Regulations.

In the opinion of the Board of Directors (based on a representation made to our Company by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). The Board of Directors / Committee of Directors, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment.

Notwithstanding the above table, the Underwriters shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure/subscribe to Equity Shares to the extent of the defaulted amount.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) final Listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final approval of the RoC after the Prospectus is filed with the RoC.

CAPITAL STRUCTURE

The equity share capital of our Company, as of the date of this Red Herring Prospectus, before and after the Issue, is set forth below:

(₹ *million, except share data*)

		Aggregate nominal value	Aggregate value at Issue Price
A	**AUTHORISED SHARE CAPITAL**[(a)]		
	900,000,000 Equity Shares	9,000	
B	**ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL BEFORE THE ISSUE**		
	473,613,855Equity Shares	4,736.14	
C	**PRESENT ISSUE IN TERMS OF THIS RED HERRING PROSPECTUS** [(b)]		
	Consisting of:		
	Fresh issue of [●] Equity Shares	[●]	[●]
	Offer for sale of [●] Equity Shares[(c)]	[●]	[●]
	of which		
(a)	**SHAREHOLDER RESERVATION PORTION**[(d)]		
	[●] Equity Shares	[●]	[●]
(b)	**NET ISSUE**		
	[●] Equity Shares	[●]	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE**		
	[●] Equity Shares	[●]	[●]
E	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue	3,398.76	
	After the Issue*	[●]	

**The securities premium account will be determined after completion of the Book Building Process and determination of the Issue Price.*

(a) The initial authorised share capital of our Company of ₹ 20 million comprising 2,000,000 Equity Shares was increased to ₹ 50 million divided into 5,000,000 Equity Shares pursuant to a resolution dated July 19, 2005 passed by the shareholders of our Company.

Further, the authorised share capital of our Company was increased to ₹ 150 million divided into 15,000,000 Equity Shares pursuant to a resolution dated June 24, 2006 passed by the shareholders of our Company.

Further, the authorised share capital of our Company was increased to ₹ 3,150 million divided into 315,000,000 Equity Shares pursuant to a resolution dated May 10, 2007 passed by the shareholders of our Company.

Further, the authorised share capital of our Company was increased to ₹ 3,165 million divided into 316,500,000 Equity Shares pursuant to the 'Scheme of Amalgamation and Arrangement' between Samvardhana Motherson Finance Limited (the transferee company), Motherson Consultancy Private Limited and the respective shareholders and creditors, as sanctioned by the High Court of Delhi, pursuant to its order dated December 10, 2007. Further details in this regard, see the section titled "History and Certain Corporate Matters" on page 175.

Further, the authorised share capital of our Company was increased to ₹ 9,000 million divided into 600,000,000 Equity Shares and 300,000,000 preference shares of ₹ 10 each, pursuant to a resolution dated March 2, 2009 passed by the shareholders of our Company.

Further, the authorised share capital of our Company was re-classified to ₹ 9,000 million divided into 900,000,000 Equity Shares, pursuant to a resolution dated September 24, 2011 passed by the shareholders of our Company.

(b) This Issue has been authorised by resolution of our Board of Directors dated September 14, 2011, by a special resolution passed by our shareholders pursuant to Section 81(1A) of the Companies Act, at the AGM held on September 24, 2011 and by a resolution of the IPO Committee dated April 12, 2012.

(c) Radha Rani Holdings is authorised to transfer [●] Equity Shares aggregating ₹ 3,210.00 million as the Offer for Sale, pursuant to resolutions dated September 21, 2011 and April 12, 2012 passed by its board of directors.

The Equity Shares constituting the Offer for Sale have been held by the Selling Shareholder for a period of at least one year as on the date of filing of this Red Herring Prospectus with the RoC and hence are eligible for being offered for sale in this Issue.

The RBI, pursuant to its letter dated March 6, 2012, has conveyed its no-objection for transfer of upto 37,100,000 Equity Shares (held on repatriation basis) by the Selling Shareholder in the Issue.

(d) Up to [●] Equity Shares, comprising of up to 5% of the Issue size, shall be available for allocation to the Eligible Shareholders.

Regulation 42(1)(b)(ii) of the SEBI Regulations provides that an 'existing issuer' may make reservation on competitive basis out of the issue size (excluding promoters' contribution and net offer to public) in favour of shareholders (other than promoters) of listed group companies. The Company is an 'existing issuer' as implied by Explanation II to Regulation 42 of the SEBI (ICDR). Further, MSSL, a public listed company in India on the BSE and NSE, is a Group Company as disclosed in the section titled "History and Certain Corporate Matters – Motherson Sumi Systems Limited ("MSSL")" on page 196. While certain other companies beginning with the word 'MSSL' have been incorporated and have been disclosed in the section titled "History and Certain Corporate Matters – Other Consolidated Entities" on page 181, these entities are subsidiaries of MSSL and hence are distinct from MSSL. Further, reservation is being made in favour of the shareholders of MSSL, as on the specified date to be fixed by MSSL, who are individuals resident in India and physically present in India on the date of submission of the Bid cum Application Form and who Bid for an amount not exceeding ₹ 200,000.

Notes to Capital Structure

1. ***Share Capital History***

a) History of equity share capital of our Company

Date of allotment	Number of Equity Shares	Face value (₹)	Issue Price (₹)	Nature of Consideration	Reasons for allotment	Cumulative number of equity shares	Cumulative equity share capital (₹)
December 27, 2004	50,000	10	10	Cash	Initial subscription[(1)]	50,000	500,000
September 3, 2005	2,000,000	10	10	Cash	Further issue[(2)]	2,050,000	20,500,000
October 28, 2005	1,400,000	10	10	Cash	Preferential Allotment[(3)]	3,450,000	34,500,000
October 5, 2006	6,000,000	10	10	Cash	Preferential Allotment[(4)]	9,450,000	94,500,000
Cancellation of 1,400,000 Equity Shares held by Motherson Consultancy Private Limited pursuant to the terms of the scheme of amalgamation and arrangement, as sanctioned by the order dated December 10, 2007 passed by the High Court of Delhi						8,050,000	80,500,000
February 19,	292,130,594	10	-	Other than	Allotment	300,180,594	3,001,805,940

Date of allotment	Number of Equity Shares	Face value (₹)	Issue Price (₹)	Nature of Consideration	Reasons for allotment	Cumulative number of equity shares	Cumulative equity share capital (₹)
2008				cash	pursuant to amalgamation of Motherson Consultancy Private Ltd ("**MCPL**") into our Company [5]		
March 16, 2009	46,871,100	10	23.30	Cash	Preferential Allotment[6]	347,051,694	3,470,516,940
June 19, 2009	64,972,318	10	23.30	Cash	Preferential Allotment[7]	412,024,012	4,120,240,120
December 31, 2009	2,850,000	10	21	Cash	Preferential Allotment[8]	414,874,012	4,148,740,120
April 10, 2010	53,539,843	10	23.33	Cash	Conversion of preference shares[9]	468,413,855	4,684,138,550
September 8, 2011	5,200,000	10	52.10	Cash	Preferential Allotment[10]	473,613,855	4,736,138,550

[1] *Initial allotment of 9,960 Equity Shares in favour of each of Vivek Chaand Sehgal, Laksh Vaaman Sehgal, Renu Sehgal, Vidhi Sehgal and Geeta Soni and 100 Equity Shares in favour of each of Gaya Nand Gauba and Ashok Tandon. On September 3, 2005, Vivek Chaand Sehgal transferred 9,860 Equity Shares in favour of Renu Sehgal and 100 Equity Shares in favour of Pankaj Mital*

[2] *2,000,000 Equity Shares were allotted to Renu Sehgal. On December 5, 2007, Renu Sehgal transferred 400,000 Equity Shares to each of Geeta Soni and Nilu Mehra and 100,000 Equity Shares to each of Divya Soni and Shiplie Soni*

[3] *14,000,000 Equity Shares were allotted to Motherson Consultancy Private Limited*

[4] *6,000,000 Equity Shares were allotted to Samvardhana Employees Welfare Trust*

[5] *Pursuant to a'Scheme of Amalgamation and Arrangement' between Samvardhana Motherson Finance Limited (the transferee company), Motherson Consultancy Private Limited and the respective shareholders and creditors, as sanctioned by the High Court of Delhi, pursuant to its order dated December 10, 2007, 88,554,361 Equity Shares were issued to Vivek Chaand Sehgal (one of the Promoters), 72,377,277 Equity Shares were issued to Laksh Vaaman Sehgal (one of the Promoters), 66,780,000 Equity Shares were issued to Radha Rani Holdings (a Promoter Group entity), 61,957,000 Equity Shares were issued to Renu Sehgal (one of the Promoters), 779,100 Equity Shares were issued to Vidhi Sehgal (a Promoter Group individual), 742,000 Equity Shares were issued to Geeta Soni (a Promoter Group individual), 463,750 Equity Shares were issued to each of R..L. Agarwalla and Kusam Agarwalla and 3,339 Equity Shares were issued to each of Ashok Tandon, Bimal Dhar, Vivek Avasthi and S.R. Bansal. For further details of the 'Scheme of Amalgamation and Arrangement', see 'History and Certain Corporate Matters' on page 175.*

The following table indicates the Equity Shares transferred by the respective allottees pursuant to the 'Scheme of Amalgamation and Arrangement'

Date of allotment pursuant to the 'Scheme of Amalgamation and Arrangement'	Name of allottee	Number of Equity Shares allotted	Date of transfer	Name of transferee
February 19, 2008	Ashok Tandon	3,339	June 17, 2011	Laksh Vaaman Sehgal
	Bimal Dhar	3,339	June 17, 2011	Laksh Vaaman Sehgal
	Vivek Avasthi	3,339	June 17, 2011	Laksh Vaaman Sehgal
	S.R. Bansal	3,339	May 26, 2011	Chandra Shekhar Panda*

* *The said 3,339 Equity Shares were further transferred by Chandra Shekhar Panda in favour of Laksh Vaaman Sehgal on June 17, 2011. For further details, see the section titled "-Build up, Contribution and Lock-in of Promoters – Details of build up of Promoters' shareholding in our Company" on page 88.*

[6] *21,712,400 Equity Shares were issued to Renu Sehgal, 15,090,100 Equity Shares were issued to Laksh Vaaman Sehgal and 10,068,600 Equity Shares were issued Vivek Chaand Sehgal*

[7] *25,135,966 Equity Shares were issued to Renu Sehgal, 18,480,515 Equity Shares were allotted to Vivek Chaand Sehgal, 17,523,691 Equity Shares were issued to Laksh Vaaman Sehgal and 3,832,146 Equity Shares were allotted to Vidhi Sehgal.*

[8] *2,850,000 Equity Shares were issued to Ashok Tandon as the trustee of Samvardhana Employees' Welfare Trust*

[9] *53,539,843 Equity Shares were issued to Sojitz Corporation pursuant to conversion of 124,882,670 preference shares of ₹10 each.*

[10] *5,200,000 Equity Shares were issued to Samvardhana Employees Welfare Trust.*

b) History of 0% compulsory convertible preference share capital

Date of allotment	Number of 0% cumpulsorily convertible preference shares	Face value (₹)	Issue Price (₹)	Nature of Consideration	Reasons for allotment
April 11, 2009	124,882,670	10	16.50	Cash	Preferential Allotment[(1)]

(1) Sojitz Corporation was issued 124,882,670 0% fully and compulsorily convertible preference shares of face value ₹10 each, at a premium of ₹ 6.50 each. The said preference shares were converted into Equity Shares of our Company on April 10, 2010.

c) Equity Shares issued for consideration other than cash

Except as detailed below, no Equity Shares have been issued for consideration other than cash.

Date of allotment*	Name of the Allottee	Number of Equity Shares allotted	Offer Price (₹)	Reasons for allotment
February 19, 2008	Vivek Chaand Sehgal	88,554,361	-	Amalgamation of MCPL into our Company [(1)]
	Laksh Vaaman Sehgal	72,377,277		
	Radha Rani Holdings	66,780,000		
	Renu Sehgal	61,957,000		
	Vidhi Sehgal	779,100		
	Geeta Soni	742,000		
	R.L. Agarwalla	463,750		
	Kusam Agarwalla	463,750		
	Ashok Tandon	3,339		
	Bimal Dhar	3,339		
	Vivek Avashti	3,339		
	S.R. Bansal	3,339		

(1) Issuance pursuant to a 'Scheme of Amalgamation and Arrangement' between Samvardhana Motherson Finance Limited (the transferee company), Motherson Consultancy Private Limited and the respective shareholders and creditors, as sanctioned by the High Court of Delhi, pursuant to its order dated December 10, 2007. For further details of the 'Scheme of Amalgamation and Arrangement', see 'History and Certain Corporate Matters' on page 175.

Except for a preferential allotment of 5,200,000 Equity Shares to Samvardhana Employees Welfare Trust on September 8, 2011, at an issue price of ₹ 52.10 per Equity Share, as stated in this section, our Company has not made any issue of Equity Shares during the preceding one year from the date of this Red Herring Prospectus.

2. Build up, Contribution and Lock-in of Promoters

a) Details of build up of Promoters' shareholding in our Company:

Set forth below are the details of the build up of our Promoters' shareholding:

Name of the Promoter	Date of allotment/ transfer or when the Equity Shares were made fully paid up*	No. of Equity Shares*	Face value (₹)	Issue/ Acquisition Price per Equity Share (₹)**	% of pre-Issue Capital	% of post-Issue Capital	Consideration	Nature of Transaction
Vivek Chaand Sehgal	December 27, 2004	9,960	10	10	Negligible	[●]	Cash	Initial subscription
	September 3, 2005	(9,860)	10	10	Negligible	[●]	Cash	Transfer in favour of Renu Sehgal
	September 3, 2005	(100)	10	10	Negligible	[●]	Cash	Transfer in favour of Pankaj Mital
	February 19, 2008	88,554,361	10	-	18.70	[●]	Other than cash	Allotment pursuant to amalgamation of MCPL into our Company
	March 16, 2009	10,068,600	10	23.30	2.13	[●]	Cash	Preferential allotment

	June 19, 2009	18,480,515	10	23.30	3.90	[●]	Cash	Preferential allotment
Sub-total		**117,103,476**			**24.73**	[●]		
Renu Sehgal	December 27, 2004	9,960	10	10	Negligible	[●]	Cash	Initial subscription
	September 3, 2005	9,860	10	10	Negligible	[●]	Cash	Transfer by Vivek Chaand Sehgal
	September 3, 2005	2,000,000	10	10	0.42	[●]	Cash	Further issue
	December 5, 2007	(400,000)	10	10	(0.08)	[●]	Cash	Transfer in favour of Geeta Soni
	December 5, 2007	(400,000)	10	10	(0.08)	[●]	Cash	Transfer in favour ofNilu Mehra
	December 5, 2007	(100,000)	10	10	(0.02)	[●]	Cash	Transfer in favour ofDivya Soni
	December 5, 2007	(100,000)	10	10	(0.02)	[●]	Cash	Transfer in favour ofShiplie Soni
	February 19, 2008	61,957,000	10	-	13.08	[●]	Other than cash	Allotment pursuant to amalgamation of MCPL into our Company
	March 16, 2009	21,712,400	10	23.30	4.58	[●]	Cash	Preferential allotment
	June 19, 2009	25,135,966	10	23.30	5.31	[●]	Cash	Preferential allotment
	June 17, 2011	100	10	52.10	Negligible	[●]	Cash	Transfer from Pankaj Mital
Sub-total		**109,825,286**			**23.19**	[●]		
Laksh Vaaman Sehgal	December 27, 2004	9,960	10	10	Negligible	[●]	Cash	Initial subscription
	February 19, 2008	72,377,277	10	-	15.28	[●]	Other than cash	Allotment pursuant to amalgamation of MCPL into our Company
	March 16, 2009	15,090,100	10	23.30	3.19	[●]	Cash	Preferential allotment
	June 19, 2009	17,523,691	10	23.30	3.70	[●]	Cash	Preferential allotment
	June 17, 2011	3,339	10	52.10	Negligible	[●]	Cash	Transfer from Ashok Tandon
	June 17, 2011	3,339	10	52.10	Negligible	[●]	Cash	Transfer from Bimal Dhar
	June 17, 2011	3,339	10	52.10	Negligible	[●]	Cash	Transfer from Chandra Shekhar Panda
	June 17, 2011	3,339	10	52.10	Negligible	[●]	Cash	Transfer from Vivek Avasthi
Sub-total		**105,014,384**			**22.17**	[●]		
Total		**331,943,146**			**70.09**	[●]		

[*] *The Equity Shares were fully paid on the date of their allotment.*
[**] *The cost of acquisition excludes the stamp duty paid.*

b) Details of build up of the Selling Shareholder's shareholding in our Company

Set forth below are the details of the build up of Radha Rani Holding's shareholding in our Company:

Date of allotment/ transfer or when the Equity Shares were made fully paid up[*]	No. of Equity Shares[*]	Face value (₹)	Issue/ Acquisition Price per Equity Share (₹)[**]	% of pre-Issue Capital	% of post-Issue Capital	Consideration	Nature of Transaction
February 19, 2008	66,780,000[*]	10	-	14.10	[●]	Other than cash	Allotment pursuant to amalgamation of MCPL into our Company
	66,780,000			**14.10**	[●]		

[*] *This comprises of 37,100,000 Equity Shares held by Radha Rani Holdings on a repatriable basis and 29,680,000 Equity Shares held by it on a non-repatriable basis, as permissible under applicable laws. The implication of holding shares on a repatriable basis is that the sale proceeds of such shares, net of taxes, as applicable, are eligible to be repatriated out of India under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000. All the 66,780,000 Equity Shares held by the Selling Shareholder are eligible to be offered for sale in the Issue, as per the SEBI Regulations. However, as approved by the RBI pursuant to its letter dated March 6, 2012, the Selling Shareholder shall be offering upto 37,100,000 Equity Shares, held by it on a repatriable basis in the Offer for Sale.*

c) Details of Promoters' Contribution locked-in for three years:

An aggregate of 20% of the post-Issue capital held by our Promoters shall be considered as promoters' contribution and locked-in for a period of three years from the date of Allotment ("**Promoters' Contribution**").

The lock-in of the Promoters' Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchanges before listing of the Equity Shares.

Vivek Chaand Sehgal, Renu Sehgal and Laksh Vaaman Sehgal, our Promoters, have, pursuant to their undertakings dated September 27, 2011, September 20, 2011 and September 27, 2011 respectively, granted consent to include such number of Equity Shares held by them as may constitute 20% of the post-Issue equity share capital of our Company as Promoters' Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters' Contribution from the date of filing of this Red Herring Prospectus until the commencement of the lock-in period specified above. Details of Promoters' Contribution are as provided below:

Name of the Promoter	No. of Equity Shares locked-in[*]	% of pre-Issue Capital	% of post-Issue Capital
Vivek Chaand Sehgal	[●]	[●]	[●]
Renu Sehgal	[●]	[●]	[●]
Laksh Vaaman Sehgal	[●]	[●]	[●]
Total	[●]	[●]	**20%**

[*] *All the Equity Shares held by our Promoters as on the date of filing of this Red Herring Prospectus are eligible for computation of Promoters' Contribution.*

The Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot and from persons who are classified and defined as 'promoters' of our Company as per the SEBI Regulations.

All Equity Shares which are to be locked-in are eligible for computation of Promoters' Contribution, shall be in accordance with the SEBI Regulations. The Equity Shares proposed to be included as part of the Promoters' Contribution:

(a) have not been subject to pledge or any other form of encumbrance; or
(b) do not consist of Equity Shares resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of our Company or from bonus issue against equity shares which are ineligible for Promoters' Contribution; or
(c) have not been acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets; or
(d) have not been acquired by the Promoters during the period of one year immediately preceding the date of filing of this Red Herring Prospectus at a price lower than the Issue Price.

Other requirements in respect of lock-in

The Equity Shares held by the Promoters may be transferred to and amongst the Promoter Group or to a new promoter or persons in control of our Company, subject to continuation of the applicable lock-in in the hands of the transferees for the remaining period and compliance with the provisions of the Takeover Code, as applicable.

The Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code, as applicable.

The Equity Shares held by the Promoters which are locked-in for a period of three years from the date of Allotment in the Issue can be pledged with any scheduled commercial bank or public financial institution as collateral security for loans granted by such banks or institution, provided that the pledge of Equity Shares can be created when the loan has been granted by such bank or financial institution for financing one or more of the objects of the Issue and pledge of Equity Shares is one of the terms of sanction of the loan.

Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment of Equity Shares in the Issue.

3. **Details of share capital locked in for one year**

In addition to the lock-in of the Promoters' Contribution, the entire pre-Issue equity share capital of our Company (including those Equity Shares held by our Promoters, besides the Equity Shares forming part of the Offer for Sale), shall be locked in for a period of one year from the date of Allotment. The Equity Shares subject to lock-in will be transferable subject to compliance with the SEBI Regulations.

4. **Lock-in of equity shares allotted to Anchor Investors**

Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment of the Equity Shares.

5. **Our shareholding pattern**

As on the date of this Red Herring Prospectus, the shareholding pattern of our Company (before the proposed Issue and as adjusted for this Issue) is as provided hereinbelow:

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO OF SHARE-HOLDERS	TOTAL NUMBER OF SHARES	NO OF SHARES HELD IN DEMATERIALIZED FORM	TOTAL NUMBER OF SHARES (POST ISSUE)	TOTAL SHAREHOLDING AS A % OF TOTAL NO OF SHARES		NO. OF SHARES PLEDGED OR OTHERWISE ENCUMBERED
						PRE-ISSUE	POST-ISSUE	
						AS A PERCENTAGE of (A+B)	AS A PERCENTAGE of (A+B)	
(I)	(II)	(III)	(IV)	(V)		(VI)		
(A)	**PROMOTER AND PROMOTER GROUP**							
(1)	INDIAN							
(a)	Individual /HUF	3	111,457,246	111,457,246	111,457,246	23.53	[●]	Nil
(b)	Central Government/State Government(s)	0	0	0		0.00	[●]	Nil
(c)	Bodies Corporate	0	0	0		0.00	[●]	Nil
(d)	Financial Institutions / Banks	0	0	0		0.00	[●]	Nil
(e)	Others	0	0	0		0.00	[●]	Nil
	Sub-Total A(1) :	**3**	**111,457,246**	**111,457,246**	111,457,246	23.53	[●]	Nil
(2)	FOREIGN							
(a)	Individuals (NRIs/Foreign Individuals)	3	226,739,066	226,739,066	226,739,066	47.88	[●]	Nil
(b)	Bodies Corporate	2	89,707,000	37,100,000	[●][1]	18.94	[●]	Nil
(c)	Institutions	0	0	0		0.00		
(d)	Others							
	Sub-Total A(2) :	**5**	**316,446,066**	**263,839,066**	[●]	66.82		Nil
	Total A=A(1)+A(2)	**8**	**427,903,312**	**375,296,312**	[●]	90.35	[●]	Nil
(B)	**PUBLIC SHAREHOLDING***							
(1)	INSTITUTIONS							
(a)	Mutual Funds /UTI	0				0.00		Nil
(b)	Financial Institutions /Banks	0				0.00		Nil
(c)	Central Government / State Government(s)	0				0.00		Nil
(d)	Venture Capital Funds	0				0.00		Nil
(e)	Insurance Companies	0				0.00		Nil
(f)	Foreign Institutional	0				0.00		Nil

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO OF SHARE-HOLDERS	TOTAL NUMBER OF SHARES	NO OF SHARES HELD IN DEMATERIALIZED FORM	TOTAL NUMBER OF SHARES (POST ISSUE)	TOTAL SHAREHOLDING AS A % OF TOTAL NO OF SHARES		NO. OF SHARES PLEDGED OR OTHERWISE ENCUMBERED
						PRE-ISSUE	POST-ISSUE	
						AS A PERCENTAGE of (A+B)	AS A PERCENTAGE of (A+B)	
(I)	(II)	(III)	(IV)	(V)		(VI)		
	Investors							
(g)	Foreign Venture Capital Investors	0				0.00		Nil
(h)	Others					0.00		Nil
	Sub-Total B(1) :	**0**	**0**	**0**		0.00		Nil
(2)	NON-INSTITUTIONS							
(a)	Bodies Corporate	0	0	0		0.00	[●]	Nil
(b)	Individuals							Nil
	(i) Individuals holding nominal share capital upto ₹1 lakh	3,224	5,199,908	2,388,861	[●]	1.10	[●]	Nil
	(ii) Individuals holding nominal share capital in excess of ₹1 lakh	222	7,673,222*	5,386,551	[●]	1.62	[●]	Nil
(c)	**Others**							
	Non Resident Indians	332	1,470,935	285,000		0.31		
	Foreign Corporate Bodies	1	30,612,843	0		6.46		
	Trust	1	753,635	**353,377**		0.16	[●]	Nil
	Sub-Total B(2) :	**3,780**	**45,710,543**	**8,413,789**	[●]	9.65	[●]	Nil
	Total B=B(1)+B(2):	**3,780**	**45,710,543**	**8,413,789**	[●]	9.65	[●]	Nil
	Total (A+B) :	**3,781**	**473,613,855**	**383,710,101**	[●]	**100.00**	[●]	Nil
(C)	**SHARES HELD BY CUSTODIANS, AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED**	0		**0**				
	GRAND TOTAL (A+B+C) :	**3,788**	**473,613,855**	**383,710,101**	[●]	**100.00**	[●]	Nil

[1] *Based on the assumption that [●] Equity Shares held by Radha Rani Holdings aggregating ₹3,210.00 million and being offered as part of the Offer for Sale portion in the Issue are Allotted.*

[*] *Based on the assumption that such shareholders shall continue to hold the same number of Equity Shares after this Issue. This does not include any Equity Shares that such shareholders (excluding Promoter and Promoter Group) may Bid for and be Allotted*

6. Except as stated in the section titled "Our Management" on page 216, none of our Directors or key management personnel hold Equity Shares.

7. **Top 10 shareholders**

As on the date of this Red Herring Prospectus, our Company has 3,788 shareholders. The list of the top 10 shareholders of our Company and the number of Equity Shares held by them is provided below:

(a) Our top shareholders and the number of Equity Shares held by them, as on the date of this Red Herring Prospectus, are as follows:

S. No.	Shareholder	No. of Equity Shares	Pre Issue %
1.	Vivek Chaand Sehgal	117,103,476	24.73
2.	Renu Sehgal	109,825,286	23.19
3.	Laksh Vaaman Sehgal	105,014,384	22.17
4.	Radha Rani Holdings	66,780,000	14.10
5.	Sojitz Corporation	30,612,843	6.46
6.	Advance Technologies and Automotive Resources Pte Ltd	22,927,000	4.84
7.	Vidhi Sehgal	4,621,206	0.98
8.	Geeta Soni	1,191,960	0.25
9.	Samvardhana Employees Welfare Trust	753,635	0.16

S. No.	Shareholder	No. of Equity Shares	Pre Issue %
10.	R L. Agarwalla	463,750	0.10
	Kusum Agarwalla	463,750	0.10
	Total	**459,757,290**	**97.08**

(b) Our top shareholders and the number of Equity Shares held by them 10 days prior to filing of this Red Herring Prospectus were as follows:

S. No.	Shareholder	No. of Equity Shares	Pre Issue %
1.	Vivek Chaand Sehgal	117,103,476	24.73
2.	Renu Sehgal	109,825,286	23.19
3.	Laksh Vaaman Sehgal	105,014,384	22.17
4.	Radha Rani Holdings	66,780,000	14.10
5.	Sojitz Corporation	53,539,843	11.30
6.	Vidhi Sehgal	4,621,206	0.98
7.	Geeta Soni	1,191,960	0.25
8.	Samvardhana Employees Welfare Trust	753,635	0.16
9.	R.L. Agarwalla	463,750	0.10
10.	Kusum Agarwalla	463,750	0.10
	Total	**459,757,290**	**97.08**

(c) Our top shareholders and the number of Equity Shares held by them two years prior to filing of this Red Herring Prospectus were as follows:

S. No.	Shareholder	No. of Equity Shares	Pre Issue %
1.	Vivek Chaand Sehgal	117,103,476	28.23
2.	Renu Sehgal	109,825,186	26.47
3.	Laksh Vaaman Sehgal	105,001,028	25.31
4.	Radha Rani Holdings Pte Ltd	66,780,000	16.10
5.	Vidhi Sehgal	4,621,206	1.11
6.	Geeta Soni	1,151,960	0.28
7.	Samvardhana Employees Welfare Trust	915,240	0.22
8	R.L. Agarwalla	463,750	0.11
9.	Kusum Agarwalla	463,750	0.11
10.	Nilu Mehra	400,000	0.10
	Total	**406,725,596**	**98.04**

8. Samvardhana Employees Welfare Trust (the "**Trust**")

i. The Trust has been formed pursuant to a registered trust deed dated May 31, 2006. Details of the trust deed have been disclosed in the section titled "History and Certain Corporate Matters – Material Agreements" on page 200.

ii. The beneficiaries of the Trust include eligible permanent employees of our Company and the 'Affiliate Companies' (which has been defined in the trust deed to mean companies, which form part of or are members of the Motherson group and Sehgal family, and in which the Company or member company of the Motherson group or Sehgal family, either alone or together holds, directly or indirectly, a minimum of 33.33% of the equity share capital or the companies, which hold, directly or indirectly, a minimum of 33.33% of the equity share capital of our Company or companies whose management control is with the Sehgal family and includes MSSL and its subsidiaries and our Company), including whole time directors, determined in such manner and on such terms and conditions as may be specified in any employee stock option scheme and in other applicable deeds or documents. Further, the following persons are specifically excluded as beneficiaries under the trust deed:

(a) an employee who is a promoter of the Company or belongs to the Promoter Group;
(b) a director, who either by himself or through his relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding Equity Shares; and

(d) any person, who is not competent to contract under applicable laws.

iii. Section 77 of the Companies Act provides, *inter alia*, that no public company shall give, whether directly or indirectly, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the company. However, this restriction shall not be taken to prohibit the provision by any company, in accordance with any scheme for the time being in force, of money for the purchase of, or subscription for, shares in the company or its holding company, being a purchase or subscription by '*trustees of or for shares to be held by or for the benefit of employees of the company, including any director holding a salaried office or employment in the company*'.

Our Company has contributed towards the corpus of ₹ 0.5 million pursuant to the provisions of the trust deed. The said corpus has not been utilized for the purchase or subscription of the Equity Shares.

The Trust has, *inter alia*, availed financial assistance from one of the Subsidiaries, the proceeds of which have been utilized to subscribe certain Equity Shares. However, the Trust has since repaid the said financial assistance.

The source of funds for the various allotments to the Trust has been in the form of unsecured loans from Ms. Renu Sehgal (one of our Promoters) and Saks Anciliaries Limited (one of our Subsidiaries). These loans have been repaid by the Trust, except a portion of the loan to Ms. Renu Sehgal which is still outstanding.

The proviso (b) to Section 77(2) of the Companies Act does not prohibit such financial assistance. As stated above, the beneficiaries of the Trust include eligible permanent employees of the Company and the 'Affiliate Companies'. Further, the trust deed envisages a share issuance scheme in relation to the eligible employees. The Equity Shares subscribed by the Trust are held for the benefit of the employees of the Company and the 'Affiliate Companies' in accordance with the provisions of the trust deed.

In light of the above, our Company has complied with the provisions of the Section 77 of the Companies Act.

Section 81 of the Companies Act provides, *inter alia*, that further shares may be offered by a public company to any person (a) if a special resolution to that effect is passed by the company in a general meeting, or (b) where no such special resolution is passed, if the votes cast in favour of the proposal contained in the resolution moved in that general meeting by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the board of directors in this behalf, that the proposal is beneficial to the company.

Our Company has passed special resolutions at general meetings prior to the allotments made to the Trust. Further, our Company has complied with the provisions of Section 81 of the Companies Act read with the rules issued thereunder.

iv. Details of various allotments of Equity Shares to the Trust have been provided in the section titled "Capital Structure – Share Capital History – History of equity share capital of our Company" on page 86.

For the purposes of funding subscriptions of such Equity Shares, the Trust had availed short term financial assistance from one of its Promoters and a Subsidiary which have since been repaid, as mentioned above.

v. The Equity Shares issued to the Trust rank *pari passu* with the other Equity Shares held by other shareholders, in all respects. As provided in the trust deed, the trustees have the power to vote in respect of the Equity Shares held by the Trust or the trustees.

vi. The trust deed states that the purposes of the Trust shall include, *inter alia*, acquiring by subscription, purchase or otherwise of shares, stock, options, debentures, warrants or other securities of the Company pursuant to any employees stock option plans and and/ or any other share issue scheme or in any other

manner, and holding, *transferring* or otherwise disposing of such securities. Hence, the Trust may transfer or dispose of the Equity Shares held by it. However, such transfer or disposal shall be for the benefit of the beneficiaries of the Trust.

vii. Regulation 2(1)(zb) of the SEBI Regulations includes the following entities in the definition of Promoter Group (in case the promoters are individuals)

(a) any body corporate in which 10% or more of the equity share capital is held by the promoter or an immediate relative of the promoter or a firm or Hindu undivided family in which the promoter or any one or more of his immediate relative is a member;
(b) any body corporate in which a body corporate as provided in (a) above holds 10% or more, of the equity share capital;
(c) any Hindu undivided family or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than 10%.

The Trust does not satisfy any of the abovementioned criteria. Further, none of the trustees or beneficiaries of the Trust are Promoters or immediate relatives of the Promoters. Hence, it has not been included as a Promoter Group entity.

viii. As stated above, 'Affiliate Companies' have been defined in the trust deed to mean companies, which form part of or are members of the Motherson group and Sehgal family[1], and in which our Company or member company of the Motherson group or Sehgal family, either alone or together hold, directly or indirectly, a minimum of 33.33% of the equity share capital or the companies, which hold, directly or indirectly, a minimum of 33.33% of the equity share capital of our Company or companies whose management control is with the members of the Sehgal family and includes MSSL and its subsidiaries and our Company.

ix. Mr. Ashok Tandon and Mr. G.N. Gauba are the trustees of the Trust, as provided in the trust deed. Mr. Ashok Tandon and Mr. G.N. Gauba are neither related to the Promoters, nor to each other.

Mr. Ashok Tandon was appointed as the manager and chief financial officer of the Company on September 15, 2011, as disclosed in the section titled "Our Management – Key Managerial Personnel" on page 225. Mr. Ashok Tandon, by virtue of being an erstwhile director of the Company, has been described as a 'Related Party' in the related party disclosures as required by AS 18 as a 'key management personnel' for the years ended March 31, 2011, 2010, 2009, 2008 and 2007. Similarly, Mr. G.N. Gauba, by virtue of being an erstwhile director of the Company, has been been described as a 'Related Party' for the year ended March 31, 2007. These disclosures have been provided in the section titled "Financial Information" on page 243.

x. The trust deed provides that the Trust shall extinguish upon fulfillment of the purposes for which the Trust has been established.

xi. An 'optionee' has been defined to mean an employee who shall be granted options pursuant to an employee stock option scheme to acquire Equity Shares. The trust deed does not provide for any specific role or rights of the optionees.

Our Company currently does not have any such employee stock option scheme. However, in the event any employee stock options are issued, the optionees shall be required to adhere to the applicable SEBI regulations in this regard.

[1] 'Motherson Group' has been defined in the trust deed to mean the group of companies comprising any two or more of the following companies, namely MSSL and MCPL (now merged with the Company) and their subsidiaries and in which any member-company of the Motherson Group or Sehgal Family holds, either singly or collectively, more than 33.33% of the issued, subscribed and paid up share capital of such company, and any company that may be formed or acquired by such companies and in which any member company of the Motherson Group or Sehgal family holds, either singly or collectively, the aforesaid minimum percentage of share capital and companies whose management control is with the Sehgal family.
Further, 'Sehgal family' has been defined to mean Mr. Vivek Chaand Sehgal, his wife Ms. Renu Sehgal and his lineal descendants and ascendants including companies directly or indirectly controlled by any of them, jointly or severally.

xii. During the period of 10 days immediately preceding the date of this Red Herring Prospectus, the Trust has not sold any Equity Shares held by it.

9. Our Company, our Directors and the Book Running Lead Managers have not entered into any buy-back and/or standby and/or any other similar arrangements for the purchase of Equity Shares from any person. For details in relation to the terms and conditions of the Sojitz SHA which grant our Promoters certain rights in relation to the Equity Shares, see the section titled "History and Certain Corporate Matters – Shareholders' Agreement" on page 198.

10. Except for the allotment of 5,200,000 Equity Shares to Samvardhana Employees Welfare Trust at an issue price of ₹ 52.10 per Equity Share (which may be lesser than the Issue Price), our Company has not issued any Equity Shares at a price less than the Issue Price in the last one year preceding the date of filing of this Red Herring Prospectus.

11. None of the Book Running Lead Managers or their associates held any Equity Shares as on the date of filing of this Red Herring Prospectus.

12. Our Company has allotted 292,130,594 Equity Shares on February 19, 2008 pursuant to a scheme of amalgamation and arrangement approved under Sections 391 to 394 of the Companies Act. For further details, see the section titled "Capital Structure- Notes to Capital Structure- History of equity share capital of our Company" and "History and Certain Corporate Matters- Amalgamation of Motherson Consultancy Private Limited ("MCPL") into our Company" on pages 86 and 177, respectively.

13. There will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of the Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed.

14. Our Company has not issued Equity Shares out of its revaluation reserves.

15. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into the Equity Shares.

16. Our Company does not have any scheme of employee stock option or employee stock purchase.

17. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Red Herring Prospectus.

18. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.

19. Except as stated in this section, our Company does not have any intention, proposal, negotiations or consideration to alter its capital structure by way of split /consolidation of the denomination of the Equity Shares, or issue of Equity Shares on a preferential basis or issue of bonus or rights or further public issue of shares or any other securities, within a period of six months from the Bid Opening Date.

20. There are certain restrictive covenants in the facility agreements entered into by our Company with certain lenders. For details, see the section titled "Financial Indebtedness" on page 488.

21. Except as stated hereunder, none of our Directors, their immediate relatives, Promoters and/or the members of our Promoter Group have purchased or sold any securities of our Company, from a period commencing from six months prior to the date of filing the Draft Red Herring Prospectus with SEBI.

Transferor	Transferee	Date of transfer	Number of Equity Shares transferred	Acquisition Price per Equity Share (₹)
Sojitz Corporation	Advance	April 12, 2012	2,29,27,000	73.14

	Technologies and Automotive Resources Pte Limited			
Samvardhana Employees Welfare Trust	Geeta Soni	September 22, 2011	40,000	52.10
Samvardhana Employees Welfare Trust	Nilu Mehra	September 22, 2011	40,000	52.10
Pankaj Mittal	Renu Sehgal	June 17, 2011	100	52.10
Bimal Dhar	Laksh Vaaman Sehgal	June 17, 2011	3,339	52.10
Ashok Tandon	Laksh Vaaman Sehgal	June 17, 2011	3,339	52.10
Chandra Shekhar Panda	Laksh Vaaman Sehgal	June 17, 2011	3,339	52.10
Vivek Avasthi	Laksh Vaaman Sehgal	June 17, 2011	3,339	52.10

22. During the period commencing from six months prior to the the date of the Draft Red Herring Prospectus, no financing arrangements existed whereby our Promoters, our Promoter Group, our Directors and their relatives may have financed the purchase of Equity Shares by any other person, other than in the normal course of the business of such financing entity.

23. A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Net Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of Bidder. For further details, see the section titled "Issue Procedure" on page 525.

24. The Equity Shares issued pursuant to this Issue shall be fully paid-up at the time of Allotment, failing which no Allotment shall be made.

25. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

26. Our Promoters and members of our Promoter Group shall not participate in this Issue.

27. Pursuant to the provisions of the SCRR, at least 10% of our post-Issue Equity Share capital shall be issued and Allotted to the public in terms of this Red Herring Prospectus.

28. Not more than 50% of the Net Issue shall be available for allocation to QIBs on a proportionate basis, of which 5% shall be available for allotment to Mutual Funds only, and the remainder of the Net QIB Portion would be available for allotment to all QIB Bidders, including Mutual Funds; not less than 15% of the Net Issue to the public shall be available for allotment on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue to the public shall be available for allotment on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Up to 5% of the Issue Size constituting [●] Equity Shares has been reserved for allocation to the Eligible Shareholders on a proportionate basis, subject to valid bids being received at or above the Issue Price. Reservation for Eligible Shareholders shall be up to 5% of the Issue size.

29 In the event of under-subscription in the Shareholder Reservation Portion, the unsubscribed portion shall be added to the Net Issue. In the event of under-subscription in the Net Issue, spill-over to the extent of under-subscription shall be permitted from the Shareholder Reservation Portion to the Net Issue, subject to the Net Issue constituting 10% of the post Issue capital of our Company. In the event of under-subscription in any of the categories in the Net Issue, the unsubscribed portion would be allowed to be met with spill over from over-subscription from any other category or a combination of categories at the sole discretion of the Company, in consultation with the Book Running Lead Managers.

30. Oversubscription to the extent of 10% of the Net Issue can be retained for the purpose of rounding off to the nearer multiple of minimum allotment lot.

31. Our Company has not raised any bridge loan against the proceeds of the Issue.

32. No payment, direct or indirect in the nature of discount, commission, and allowance or otherwise shall be made either by us or our Promoters to the persons who receive Allotments.

33. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

34. Our Company shall ensure that transactions in the Equity Shares by our Promoters between the date of filing of this Red Herring Prospectus with the RoC and the Bid Closing Date shall be intimated to the Stock Exchanges within 24 hours of such transaction.

OBJECTS OF THE ISSUE

The Issue comprises the Fresh Issue and the Offer for Sale. Our Company will not receive any proceeds from the Offer for Sale.

Our Requirement of Funds

The activities for which funds are being raised by our Company through the Fresh Issue are:

(a) Funding pre-payment and repayment of debt facilities availed by our Company and certain Subsidiaries;
(b) Funding strategic investments in Samvardhana Motherson Polymers Limited, our Joint Venture, and Samvardhana Motherson Holding (M) Private Limited, our Subsidiary;
(c) Funding investments in our rear-view vision systems business; and
(d) General corporate purposes (collectively, referred to herein as the "**Objects**").

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges.

The main objects clause of our Memorandum enables us to undertake the existing activities of our Company and the activities for which funds are being raised by our Company through the Fresh Issue. The activities which have been carried out till now are valid in terms of the objects clause of our Memorandum.

Issue Proceeds, Issue Related Expenses and Net Proceeds

Details of proceeds from the Fresh Issue:

Particular	Estimated Amount (₹ million)
Gross proceeds to be raised through the Fresh Issue ("**Issue Proceeds**")	13,440.00*
Issue related expenses**[1]	[●]
Net proceeds of the Fresh Issue after deducting the Issue related expenses for Fresh Issue from the Issue Proceeds ("**Net Proceeds**")**	[●]

* *Subject to such revisions as permissible under the SEBI Regulations*

** *Will be incorporated after finalization of the Issue Price and includes both expenses for the Fresh Issue and the Offer for Sale.*

1. *Except for the listing fee which will be borne by our Company, all expenses relating to the Issue as mentioned above will be borne by our Company and the Selling Shareholder in proportion to the Equity Shares contributed to the Issue.*

Our Company intends to utilize the Net Proceeds for financing the Objects.

Requirement of Funds and Utilization of Net Proceeds

The Net Proceeds will be utilized as follows:

(₹ million)

S. No.	Particulars	Total Estimated Cost
1.	Funding pre-payment and repayment of debt facilities availed by our Company and certain of our Subsidiaries	3,385.00
2.	Funding strategic investments in Samvardhana Motherson Polymers Limited, our Joint Venture, and Samvardhana Motherson Holding (M) Private Limited, our Subsidiary	6,275.00
3.	Funding investments in our rear-view vision systems business	1,560.00
2	General corporate purposes*	[●]
	Total	**13,440.0****

* *Will be incorporated upon finalization of Issue Price.*

** *Subject to such revisions as permissible under the SEBI Regulations*

The funding requirements and deployment of the Net Proceeds are based on internal management estimates based on current conditions and have not been appraised by any bank, financial institution or any other external agency. We operate in a highly competitive and dynamic market environment. Our funding requirements are subject to changes in external circumstances, our financial condition, business and strategy and we may have to change our funding requirements accordingly. Any such change in our plans may also require rescheduling of our expenditure within the heads indicated in the table above, at the discretion of our Board.

Means of Finance

The total fund requirement for the Objects are estimated to be ₹ 13,440.00 million. No funds have been deployed by us towards the Objects as of March 30, 2012. We propose to meet all the requirement of funds for the Objects entirely from the Net Proceeds. Other than such amounts as may be required to pay any 'pre-payment penalties' and applicable interest payments, which we intend to finance out of the existing identifiable internal accruals, no amount is required to be raised through means other than this Issue for financing the Objects.

Accordingly, the requirement of firm arrangements of finance through verifiable means for 75% of the stated means of finance excluding the Issue Proceeds does not arise.

Bridge Financing Facilities

Our Company has not availed of any bridge loan facilities from any bank or financial institution as of the date of this Red Herring Prospectus.

Working Capital Requirement

The Net Proceeds will not be used to meet our working capital requirements. We expect to meet our working capital requirements in the future through internal accruals, drawdown from our existing debt facilities or availing new lines of credit.

Details of the activities to be financed from the Net Proceeds

a. Funding pre-payment and repayment of debt facilities availed by our Company and certain Subsidiaries

Our Company and certain Subsidiaries have availed secured loan facilities from various banks and financial institutions. We intend to repay or prepay portions of some of these loan facilities from the Net Proceeds. Prepayment/ repayment of the loan facilities shall reduce the debt to equity ratio of our Company and will enhance our debt leveraging capacity.

Brief details of the debt facilities which have been identified for repayment and/or prepayment from the Net Proceeds are as follows:

(₹ *million*)

Name of lender	Name of the borrower	Loan Documentation	Facility	Amount outstanding as on March 30, 2012 excluding interests accrued	Amount to be Repaid from Net Proceeds	Interest Rate (p.a.)	Tenor	Purpose for which the loans were availed[4]
JM Financial Products Private Limited	Our Company	Term sheet dated September 6, 2011 under Master Loan Agreement dated December 9, 2009	600	600	571	13% payable monthly within 3 working days from the month end	Till September 14, 2012	For infusion of funds in business/joint ventures
Citicorp Finance	Our Company	Term sheet and loan cum pledge	200	200	190	14% payable monthly till	Till December 27, 2012	For refinancing of existing debt which was borrowed

(India) Limited		agreement dated December 22, 2010; extension letter dated September 13, 2011				December 27, 2011, subsequent to which the interest rate shall be determined as mutually agreed.		for investments in group companies
Aditya Birla Finance Limited	Our Company	Loan cum pledge agreement dated March 10, 2011 and term sheet dated September 14, 2011	400	250^	238^	12.75% in relation to the facility of ₹ 250 million and for the remaining ₹ 150 million, the interest rate shall be determined at the time of disbursement	Till March 27, 2013	Infusion of funds in business/ joint ventures and general purpose [5]
Kotak Mahindra Investments Limited	Our Company	Term sheet dated January 31, 2011 under a Revolving Credit Facility Agreement; Letter dated September 6, 2011 for extension of tenor	200	200	190	13.35% payable monthly	Till February 6, 2013*	Infusion of funds in business/ joint ventures and general purpose [5]
L&T Finance Limited	Our Company	Loan against Securities Agreement dated March 24, 2011	250	250	238	12.25% payable monthly in advance	24 months from the date of first disbursement	For repayment of existing loans and investment in joint ventures in India and abroad
ICICI Bank UK Plc	Samvardhana Motherson Finance Services (Cyprus) Limited ("**SMF Cyprus**") [1†]	Facility Agreement dated December 22, 2007; Supplemental agreement dated June 17, 2011	706**	706**	672**	Aggregate of 4% p.a. and LIBOR	Till December 31, 2012	For: (i) Payment of the purchase price of an acquisition as determined by SMF Cyprus from time to time; (ii) Financing an investment as determined and directed by our Company from time to time; (iii) Payment of acquisition costs (other than periodic fees); (iv) Repayment of financial indebtedness of SMF Cyprus outstanding as of the date of the agreement (December 22, 2007), the aggregate amount of which is not to exceed USD 1,000,000; and (v) Payment of all fees and expenses owing to the finance parties under the agreement.
	Samvardhana Motherson Holding (M) Private Limited	Facility Agreement dated February 23, 2009; Supplemental	1,054***	1,054***	1,000***	Aggregate of 4% p.a. and LIBOR	Till March 31, 2013	For: (i) Payment of the purchase price of an acquisition as

	("**SMH Mauritius**")[2†]	agreement dated June 3, 2011						determined by SMH Mauritius from time to time; (ii) Financing an investment as determined and directed by our Company from time to time; (iii) Payment of acquisition costs (other than periodic fees); and (iv) Payment of all fees and expenses owing to the finance parties under the agreement.
State Bank of India, New Delhi	Motherson Advanced Tooling Solutions Limited ("**MATS**")[3†]	Loan Agreement dated January 16, 2009	390[††]	330	286	13%	91 months, including a moratorium of nine months	For financing the business activities of MATS

^ The initial facility of ₹250 million was enhanced to ₹400 million pursuant to the term sheet dated September 14, 2011

** The facility documentation provides for a call/ put option and review of limit and terms of the facility on November 6, 2011 and every three months thereafter. Exercising the put option will enable our Company to repay the entire facility without any prepayment charges. Exercising the call option will enable the lender to 'call' back the loan before completion of the term of the loan.*

*** INR/ 1 USD = 47.1 (loan amount is USD 15.00 million), source: RBI reference rates as of September 13, 2011*

**** INR/ 1 GBP = 74.6 (loan amount is GBP 14.12 million), source: RBI reference rates as of September 13, 2011*

[1] SMF Cyprus is a wholly owned Subsidiary. For further details, see the section "History and Certain Corporate Matters" on page 175.

[2] SMH Mauritius is a wholly owned Subsidiary. For further details, see the section "History and Certain Corporate Matters" on page 175.

[3] MATS is a wholly owned Subsidiary. For further details, see the section "History and Certain Corporate Matters" on page 175.

[4] As of March 30, 2012, the purpose for which the loans were utilized were for the purpose as stated in the respective loan documentation and this has been certified by Keshari Keshari & Co., Chartered Accountants through a certificate dated March 30, 2012.

[5] The loan documents do not state the purpose for which the loans were extended. As of March 30, 2012, the purpose for which the loans were utilized has been certified by Keshari Keshari & Co., Chartered Accountants through a certificate dated March 30, 2012.

† Our Company has also issued corporate guarantees in relation to the debt facilities availed by SMF Cyprus, SMH Mauritius and MATS. For further details, see the section "Financial Indebtedness" on page 488.

†† This is the term loan and cash credit facility sanctioned by the bank. The entire facility includes a letter of credit and a bank guarantee of ₹10 million each, adding up to a sum of ₹410 million. As of the date of filing of the Draft Red Herring Prospectus, the amount outstanding was ₹333 million (as on September 13, 2011). The alteration in the outstanding amount is due to an amount of ₹15 million being paid as instalment on the facility component of ₹300 million and an increase in the outstanding amount in relation to the working capital loan of ₹90 million. Out of the total outstanding amount of ₹330 million as of December 30, 2011, we will repay an amount of ₹286 million from the Net Proceeds

As of March 30, 2012, except for the facility availed by MATS from State Bank of India, New Delhi, our Company, SMF Cyprus and SMH Mauritius have not made any repayment/pre-payment of the respective facilities detailed above.

Details of businesses, acquisitions, end-use and assets created

As certified by Keshari Keshari & Co., Chartered Accountants through a certificate dated March 30, 2012, following are the details of businesses, acquisitions, end-use and assets created in relation to the debt facilities identified for repayment and/or prepayment from the Net Proceeds.

(a). Loan of ₹600 million from JM Financial Products Private Limited to our Company of which ₹600 million is outstanding

(i) The end use of ₹ 500 million out of the facility of ₹ 600 million is as indicated in the table below:

Name /Details of business	₹ (million)	Location	Use of Funds / Asset Created	Ownership (direct or indirect)	Investment in

Motherson Auto Solutions Limited	287.50	Chennai	Fixed Assets (acquisition of land for setting up industrial park) and startup expenses	66.0%	Share Capital
Samvardhana Motherson Virtual Analysis Limited	12.50	Noida	Fixed Assets and Working Capital shortfall	100.0%	Share Capital
Motherson Machinery Automations Limited	2.50	Noida	Fixed Assets and Working Capital	100.0%	Share Capital
CTM India Limited	70.66	Chennai	Certain shares of CTM India Limited were purchased from Karlad Nominees Pty Ltd. (Australia)	41.0%	Share Capital
MothersonSumi Infotech & Designs Limited	0.29	Noida	Purchase of Shares from third party Certain shares of Motherson Sumi Infotech & Designs Limited were purchased from various shareholders who had held shares in the said company.	53.6%	Share Capital
Motherson Zanotti Refrigeration System Limited	13.00	Noida	Fixed Assets and Working Capital	50.0%	Shareholders' loan
MagnetiMarelli Motherson Auto System Limited	15.00	Pune	Fixed Assets and Working Capital shortfall	50.0%	Share Capital
Tigers Connect Travel Systems & Solutions Limited	10.00	Noida	Working Capital shortfall	100.0%	Shareholders' loan
Motherson Auto Solutions Limited	50.00	Chennai	Fixed Assets (acquisition of land for setting up industrial park) and Working Capital shortfall	66.0%	Shareholders' loan
Matsui Technologies India Limited	2.00	Noida	Working Capital	50.0%	Shareholders' loan
Sumi Motherson Innovative Engineering Limited[1]	30.00	Noida	Repayment of an inter-corporate deposit availed from Sumi Motherson Innovative Engineering Limited.[1*]	16.1%	Repayment of loan
General Corporate Purpose	6.54		Working Capital	-	
Total (a)	**500.00**				

[1] *The High Court of Delhi, through an order dated January 30, 2012, sanctioned the scheme of arrangement under sections 391 and 394 of the Companies Act involving amalgamation of Sumi Motherson Innovative Engineering Limited, MSSL Global Wiring Limited and India Nails Manufacturing Limited with MSSL. For further details, see the section titled "History and Certain Corporate Matters – Amalgamation of Sumi Motherson Innovative Engineering Limited, MSSL Global Wiring Limited and India Nails Manufacturing Limited with MSSL" at page 197.*

[*] *Our Company had availed a loan of ₹125.0 million from Sumi Motherson Innovative Engineering Limited which in turn was utilised in (a) investing in the share capital of MATS, to the extent of ₹77.5 million, and the proceeds of which were utilised towards fixed assets and working capital shortfall of MATS, (b) investment in the share capital of SMH Mauritius, to the extent of ₹47.5 million, the proceeds of which were utilised for part payment for the acquisition of Visiocorp Plc and meeting other expenses of SMH Mauritius.*

Originally, our Company had borrowed ₹ 500 million from IFCI Limited and the said loan was utilized for the purpose as mentioned above. Subsequently, the said loan was swapped with a loan from JM Financial Products Private Limited.

(ii) The end use of ₹ 100 million out of the facility of ₹ 600 million is as indicated in the table below:

Name /Details of business	₹ (million)	Location	Use of Funds / Asset Created	Ownership (direct or indirect)	Investment in
MothersonSumi Infotech & Designs Limited	78.08	Noida	An amount of ₹ 69.78 million was utilised toawards payment of certain outstanding cash credit limits availed by Motherson Sumi Infotech & Designs Limited. The remaining amount of ₹ 8.3 million was utilised for purchasing shares of Motherson Sumi Infotech & Designs Limited from various shareholders who had held shares in the said company.	53.63%	Share Capital
Samvardhana Motherson Virtual Analysis Limited	7.50	Noida	Working Capital shortfall	100.00%	Share Capital
Tigers Connect Travel Systems & Solutions Limited	20.00	Noida	Fixed Assets and Working Capital shortfall	100.00%	Share Capital
Motherson Climate System Limited	19.90	Noida	Working Capital	100.00%	Share Capital
Samvardhana Motherson Holdings (M) Limited	32.66	Mauritius	Working Capital shortfall	100.00%	Share Capital
Motherson Auto Solutions Limited	25.00	Chennai	Fixed Assets and Working Capital shortfall	66.00%	Share Capital
Motherson Zanotti Refrigeration System Limited	10.00	Noida	Working Capital	50.00%	Shareholders' loan
MagnetiMarelli Motherson Auto System Limited	10.00	Pune	Working Capital shortfall	50.00%	Share Capital
Sumi Motherson Innovative Engineering Limited[1]	40.00	Noida	Repayment of an inter-corporate deposit availed from Sumi Motherson Innovative Engineering Limited[*1].	16.10%	Repayment of loan
SAKS Ancillaries Limited	6.00	Noida	Repayment of an inter-corporate deposit availed from Saks Ancillaries Limited	58.10%	Repayment of loan
General Corporate Purpose	0.86		Working Capital	-	
Total	**250.00**				
Less: Repaid	150.00	Our Company had borrowed additional ₹ 250 million from JM Financial Products Private Limited and the said loan was utilized as mentioned above. Subsequently out of ₹ 250 million, ₹.150 million was repaid by availing a loan from Citicorp Finance (India) Limited, as mentioned below in Paragraph (b) below.			
Total (b)	**100.00**				
Total Outstanding (a+b)	**600.00**				

[1] *The High Court of Delhi, through an order dated January 30, 2012, sanctioned the scheme of arrangement under sections 391 and 394 of the Companies Act involving amalgamation of Sumi Motherson Innovative Engineering Limited, MSSL Global Wiring Limited and India Nails Manufacturing Limited with MSSL. For further details, see the section titled "History and Certain Corporate Matters – Amalgamation of Sumi Motherson Innovative Engineering Limited, MSSL Global Wiring Limited and India Nails Manufacturing Limited with MSSL" at page 197.*

[*] *Our Company had availed a loan of ₹125.0 million from Sumi Motherson Innovative Engineering Limited which in turn was utilised in (a) investing in the share capital of MATS, to the extent of ₹77.5 million, and the proceeds of which were utilised towards fixed assets and working*

capital shortfall of MATS, (b) investment in the share capital of SMH Mauritius, to the extent of ₹ 47.5 million, the proceeds of which were utilised for part payment for the acquisition of Visiocorp Plc and meeting other expenses of SMH Mauritius.

(b). Loan of ₹ 200 million from Citicorp Finance (India) Limited to our Company of which ₹ 200 million is outstanding

End use of the ₹ 200 million facility is as indicated in the table below:

Name /Details of business	₹ (million)	Location	Use of Funds/ Assets created	Ownership (direct or indirect)	Investment in
Motherson Bergstrom HVAC Systems Private Limited	20.00	Noida	Fixed Assets and Working Capital	51%	Share Capital
Motherson Auto Solutions Limited	30.00	Chennai	Fixed Assets and Working Capital shortfall	66%	Share Capital
Repayment of loan from JM Financials Products Private Limited	150.00	Details of the utilisation of this facility have been provided in Paragraph (a) above.*			
Total	**200.00**				

**Our Company borrowed ₹ 200 million loan from Citicorp Finance (India) Limited. Out of ₹ 200 million, the Company utilized ₹ 150 million for the repayment of the loan availed from JM Financial Products Private Limited, which was utilized for the purposes of investment in joint ventures, extending shareholders' loan, repayment of loan of joint venture and general corporate purpose as provided in Paragraph (a) above.*

(c) Loan of ₹ 400 million from Aditya Birla Finance Limited to our Company of which ₹ 250 million is outstanding and loan of ₹ 250 million from L&T Finance Limited to our Company of which ₹ 250 million is outstanding

The aggregate amount outstanding for the facilities availed from Aditya Birla Finance Limited and L&T Finance Limited is ₹ 500 million. Details of end-use in relation to the said amount of ₹ 500 million is as indicated in the table below:

Name /Details of business	₹ (million)	Location	Use of Funds/ Assets created	Ownership (direct or indirect)	Investment in
MagnetiMarelli Motherson Auto System Limited	36.00	Pune	Working Capital shortfall	50%	Share Capital
Samvardhana Motherson Finance Services Cyprus Limited	69.75	Cyprus	Working Capital shortfall	100%	Share Capital
Motherson Auto Solutions Limited	235.50	Chennai	Fixed Assets (acquisition of land for setting up industrial park) and Working Capital shortfall	66%	Share Capital
Motherson Zanotti Refrigeration System Limited	30.00	Noida	Working Capital shortfall	50%	Shareholders' loan
Samvardhana Motherson Finance Services Cyprus Limited	13.95	Cyprus	Working Capital shortfall	100%	Shareholders' loan
Tigers Connect Travel Systems & Solutions Limited	17.50	Noida	Working Capital shortfall	100%	Shareholders' loan
Magneti Marelli Motherson Auto System Limited	10.00	Pune	Working Capital shortfall	50%	Share Capital
Motherson Pudenz Wickmen Limited	32.30	Noida	Repayment of an inter-corporate deposit availed from Motherson Pudenz	-	Repayment of loan

			Wickmen Limited*.		
Sumi Motherson Innovative Engineering Limited[1]	55.00	Noida	Repayment of an inter-corporate deposit availed from Sumi Motherson Innovative Engineering Limited[1**].	16%	Repayment of loan
Total	**500.00**				

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* *Our Company had availed a loan of ₹ 32.3 million from Motherson Pudenz Wickmen Limited which in turn was utilised in (a) purchasing certain shares of MSSL, to the extent of ₹ 17.3 million, from certain other shareholders of MSSL, and (b) investing in the share capital of SMH Mauritius, to the extent of ₹ 15.0 million, the proceeds of which were utilised for part payment for the acquisition of Visiocorp Plc and meeting other expenses of SMH Mauritius. Motherson Pudenz Wickmen Limited is now merged with MSSL with effect from April 28, 2011.*

[1] *The High Court of Delhi, through an order dated January 30, 2012, sanctioned the scheme of arrangement under sections 391 and 394 of the Companies Act involving amalgamation of Sumi Motherson Innovative Engineering Limited, MSSL Global Wiring Limited and India Nails Manufacturing Limited with MSSL. For further details, see the section titled "History and Certain Corporate Matters – Amalgamation of Sumi Motherson Innovative Engineering Limited, MSSL Global Wiring Limited and India Nails Manufacturing Limited with MSSL" at page 197.*

** *Our Company had availed a loan of ₹ 125.0 million from Sumi Motherson Innovative Engineering Limited which in turn was utilised in (a) investing in the share capital of MATS, to the extent of ₹ 77.5 million, and the proceeds of which were utilised towards fixed assets and working capital shortfall of MATS, (b) investment in the share capital of SMH Mauritius, to the extent of ₹ 47.5 million, the proceeds of which were utilised for part payment for the acquisition of Visiocorp Plc and meeting other expenses of SMH Mauritius.*

Originally, our Company had borrowed an additional loan of ₹ 500 million from IFCI Limited and the said loan was utilized for the purpose as mentioned above. Subsequently, the said loan was swapped with loan of ₹ 250 million from L & T Finance Limited and ₹ 250 million loan from Aditya Birla Finance Limited.

(d) Loan of ₹ 200 million from Kotak Mahindra Investments Limited to our Company of which ₹ 200 million is outstanding

End use of the ₹ 200 million facility is as indicated in the table below:

Name /Details of business	₹ (million)	Location	Use of Funds / Assets Created	Ownership (direct or indirect)	Investment in
Motherson Advanced Tooling Solutions Limited	43.00	Aurangabad	Fixed Assets and Working Capital shortfall	100%	Share Capital
Nachi Motherson Precision Limited	30.00	Manesar	Fixed Assets and Working Capital	49%	Share Capital
Samvardhana Motherson Finance Services Cypurs Limited	31.98	Cyprus	Working Capital shortfall	100%	Share Capital
MagnetiMarelli Motherson Auto System Limited	80.00	Pune	Fixed Assets and Working Capital shortfall	50%	Share Capital
Samvardhana Motherson Polymers Limited	5.02	Noida	Working capital	49%	Share Capital
Motherson Zanotti Refrigeration System Limited	10.00	Noida	Working Capital shortfall	50%	Shareholders' loan
Total	**200.00**				

(e) Loan of ₹ 706 million from ICICI Bank UK Plc to Samvardhana Motherson Finance Services (Cyprus) Limited of which ₹ 706 million is outstanding

SMF Cyprus, our wholly owned Subsidiary, had borrowed USD 15 million from ICICI Bank UK Plc. Details of end-use of the said loan is as indicated in the table below:

Name /Details of business	USD (million) [1]	Location	Use of Funds / Assets Created	Ownership (direct or	Investment in

				indirect)	
Motherson Zanotti Refrigeration System Limited	0.24	Noida	Fixed Assets and Working Capital	50%	Share Capital
Nissin Advanced Coating Indo Co. Limited	1.23	Noida	Fixed Assets and Working Capital	49%	Share Capital
Fritzmeier Motherson Cabin Engineering Limited	5.54	Chennai	Fixed Assets and Working Capital	50%	Share Capital
Samvardhana Motherson Finance Services Inc	2.35	USA	Fixed Assets, Investment & Working Capital	100%	Share Capital
Magneti Marelli Motherson India Holding B.V.	3.24	Netherland	Fixed Assets and Working Capital	50%	Share Capital
DSRA Fixed Deposit	0.34		Fixed Deposit	-	
Other Expenses	2.06		Working Capital	-	
Total	**15.00**				

[1] *INR/ 1USD = 47.09 (Loan amount is US $ 15 million)*

(f) Loan of ₹ 1,054 million from ICICI Bank UK Plc to Samvardhana Motherson Holding (M) Private Limited of which ₹ 1,054 million is outstanding

SMH Mauritius, a wholly owned Subsidiary, had borrowed GBP 14.12 million (₹ 1,054 million) from ICICI Bank UK Plc. Details of the end-use of said loan in given below:

Name /Details of business	GBP (million)*	Location	Use of Funds / Assets Created	Ownership (direct or indirect)	Investment in
Samvardhana Motherson Global Holding Ltd.	12.32	Cyprus	Part payment for acquisition of Visiocorp Plc	49%	Share Capital
DSRA Fixed Deposit	0.34		Restricted Fixed Deposit	-	
Other Expenses	1.46		Working Capital	-	
Total	**14.12**				

[*] *INR/ 1GBP = 74.66 (Loan amount is GBP 14.12 million)*

(g) Loan of ₹390 million from State Bank of India (New Delhi) to MATS of which ₹330 million is outstanding

Our Company had acquired the business undertaking of manufacturing of 'gear cutting tools' from Dagger Forst Tools Limited through its wholly owned Subsidiary, MATS. MATS had borrowed ₹390 million from State Bank of India to partly fund the acquisition of the said business. Details of the end-use of said loan is as provided in the table below:

Name /Details of business	₹ (million)	Location	Use of Funds / Assets Created	Ownership (direct or indirect)	Investment in
Acquisition of Business Undertaking of Dagger Forst Tools Ltd.	300.00	Aurangabad	Fixed Assets	100%	Fixed Assets
Working Capital	90.00	Aurangabad	Working Capital	-	Current Assets
Total	**390.00**				

Benefits accrued/ may accrue to our Company subsequent to payment of the debt facilities identified for repayment and/or prepayment from the Net Proceeds.

(i) Repayment/ Prepayment of debt facilities availed from JM Financial Products Private Limited, Citicorp Finance (India) Limited, Aditya Birla Finance Limited, L&T Finance Limited, Kotak Mahindra Investments Limited and ICICI Bank UK Plc

Currently, a substantial income to our Company is being utilized for the payment of interest of the debt facilities identified for repayment and/or prepayment from the Net Proceeds. Subsequent to the payment of portions of these facilities, the following benefits may accrue to our Company:

a) There will be no interest burden on our Company and our Company will be able to utilize the majority of its income to further invest in the business for growth and expansion.
b) Net profit of our Company will improve and this will further improve the earning per share.
c) Leverage capacity of our Company will improve and our Company will able to support the Subsidiaries /Joint Ventures to raise the cost effective resources at Subsidiary/Joint Venture level by giving guarantees.

(i) Repayment/ Prepayment of debt facility availed from State Bank of India, New Delhi

Subsequent to the re-payment/ prepayment of a portion of the debt facility availed from State Bank of India (New Delhi), the following benefits may accrue to our Company:

a) The debt equity ratio of the investee company will improve.
b) Profitability margins of the investee company will improve.
c) The leverage capacity of investee company will improve significantly to raise further resources to expand the business.
d) Overall, the value of the investee company will improve which will have a positive effect on our Company.

Rationale for including loans of three of our Subsidiaries, SMF Cyprus, SMH Mauritius and MATS:

The rationale for including the loans of three of our Subsidiaries, SMF Cyprus, SMH Mauritius and MATS for repayment is as follows:

(a) All the three companies are wholly owned Subsidiaries of our Company.
(b) The documentations pertaining to loans availed by SMF Cyprus and SMH Mauritius have a clauses stating that the respective facilities would have to be repaid in the event of any equity issuance.
(c) The debt/ equity ratio of MATS as on March 31, 2011 was 3.0. As stated in the section titled "Our Business – Our Strategy" at page 150, one of the business strategies of our Company is to diversify and invest in businesses with high growth potential such as the business operation of MATS. In order to do so, our Company is required to improve the debt/equity ratio of MATS so as to ease the process of further capital infusion in the business and thereby help to propel the expansion of the business further.

Extracts of financial information of SMF Cyrpus, SMH Mauritius and MATS have been provided in the section titled "History and Certain Corporate Matters" on page 175.

For further details in relation to the terms and conditions under the loan agreements, see the section titled "Financial Indebtedness" on page 488. For details of risks in relation to such financing arrangements, see the section titled "Risk Factors" on page 13.

Our Company presently intends to utilize up to ₹ 1,427.0 million from the Net Proceeds towards prepayment/ repayment of the loans availed from JM Financial Products Private Limited, Citicorp Finance (India) Limited, Aditya Birla Finance Limited, Kotak Mahindra Investments Limited and L&T Finance Limited during Fiscal 2013.

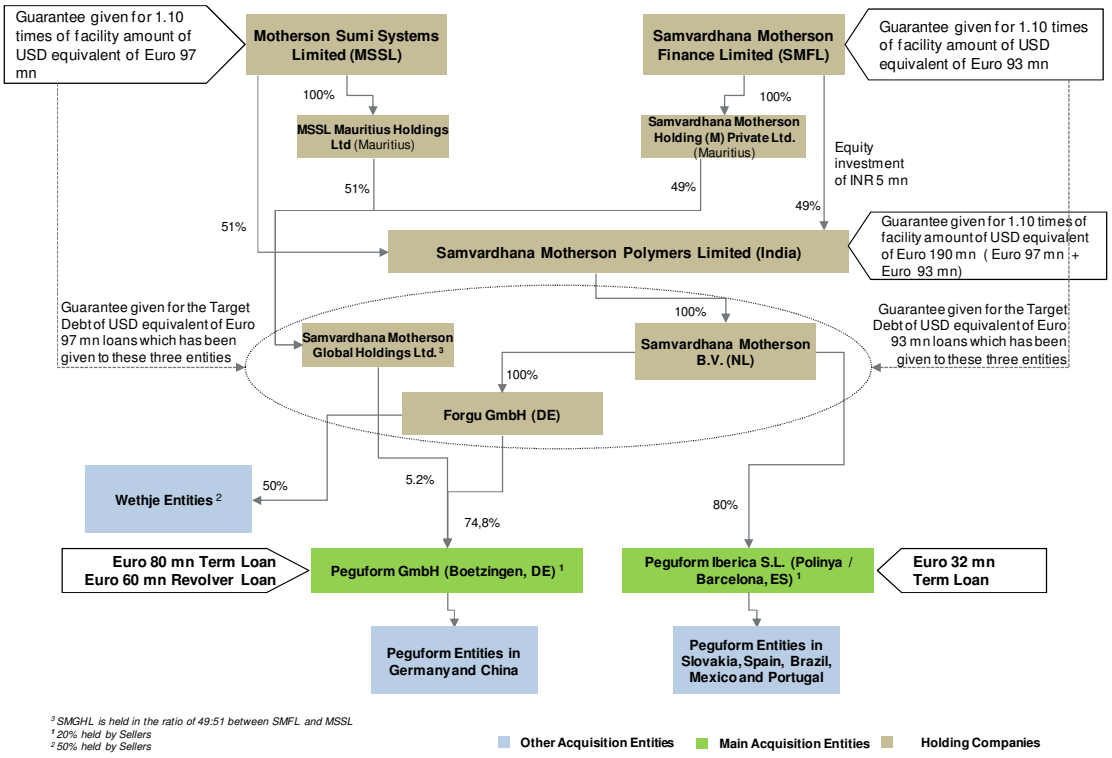
Further, our Company intends to utilize the Net Proceeds up to ₹ 1,958.0 million to invest in SMF Cyprus, SMH Mauritius and MATS such that they may prepay/ repay the debt facilities availed by them, as stated above. Our Company proposes to utilize the said amount of up to ₹ 1,958.0 million in the form of investment in the equity share capital of SMF Cyprus, SMH Mauritius and MATS. For risks association with our investment in SMF Cyprus and SMH Mauritius, see the section titled "Risk Factors – The Company has, in the past, applied for compounding an offence in relation to investment by an overseas Subsidiary in a joint venture in India" on page 18. None of these Subsidiaries have any stated dividend policy and our Company cannot be assured of any dividends from these Subsidiaries, including in respect of its equity infusion from the Net Proceeds. Our Company will remain interested in these Subsidiaries, and will derive benefits from them, to the extent of its shareholding in such Subsidiaries.

Our Company shall utilise up to ₹ 3,385.00 million from the Net Proceeds towards prepayment and/or repayment of the stated loans within 12 months from the date of receipt of the proceeds from the Fresh Issue.

Under the terms and conditions of the above mentioned debt, prepayment of such debt, in part or whole anytime during their respective tenure may attract certain prepayment penalty or premium in certain cases. Payment of such prepayment penalty or premium, if any, shall be made by our Company, SMF Cyprus, SMH Mauritius and MATS, as the case may be, out of their respective internal accruals.

b. Funding strategic investments in Samvardhana Motherson Polymers Limited, our Joint Venture, and Samvardhana Motherson Holding (M) Private Limited ("SMH Mauritius"), our Subsidiary

In November 2011, Samvardhana Motherson Polymers Limited ("**SMPL**"), our Joint Venture, indirectly acquired an equity shareholding of 74.8% in SMP Deutschland GmbH (formerly, Peguform GmbH) and 80.0% in Peguform Iberica S.L. (together referred to as the "**Peguform Companies**"). In addition to acquisition of Peguform Companies through SMPL, our Company, through Samvardhana Motherson Global Holding Limited (Cyprus) ("**SMGHL**"), our Joint Venture, acquired an equity shareholding of 5.2% in SMP Deutschland GmbH. SMH Mauritius, our wholly owned Subsidiary, holds 49% of the equity share capital of SMGHL. The balance stake in the Peguform Companies is held by the Cross Industries AG. As part of the acquisition, SMPL also indirectly acquired 50% of the equity shareholding of each of Wethje Carbon Composite GmbH and Wethje Entwicklungs GmbH, (together referred to as the "**Wethje Companies**"). The Peguform Companies and Wethje Companies were acquired from PF Beteiligungsverwaltungs GmbH, UIAG Automotive Beteiligungs GmbH and Cross Motorsport Systems AG (collectively, the "**Sellers**"). For details in relation to the business activities of the Peguform Companies and the Wethje Companies, see the section titled "Our Business" on page 146. Our shareholding in the Peguform Companies and the Wethje Companies, through SMPL and SMGHL, and the funding structure is as per below:



For details on the agreements entered into in relation to the acquisition of the Peguform Companies and the Wethje Companies, see the sections titled "Our Business" and "History and Certain Corporate Matters – Material Agreements – Other Material Agreements" on pages 146 and 209, respectively.

Financing the Acquisition

The overall financing for the acquisition of the Peguform Companies and the Wethje Companies was ₹ 25,126.0 million (Euro 370 million) which comprised of (i) re-financing the existing debt of Peguform Companies for ₹ 11,638.2 million (Euro 180.0 million) and (ii) re-financing the acquisition for ₹ 13,487.8 million (Euro 190.0 million). Details of the overall acquisition financing are set out below:

1. Re-financing the existing debt of the Peguform Companies of ₹ 11,638.2 million (Euro 180 million) ("Refinancing Component")*:

This is in the form of a term loan facility of ₹ 7,758.8 million (Euro 120.0 million) and a revolver facility of ₹ 3,879.4 million (Euro 60.0 million), which has been provided to the Peguform Companies. The combined debt funding of ₹ 11,638.2 million (Euro 180.0 million) will re-finance the existing debt in the Peguform Companies and their group companies. No security or guarantee has been provided by our Company for this term loan and revolver facility. As on March 30, 2012, ₹ 11,121.0 million (Euro 172.0 million) has been availed out of the sanctioned amount of ₹ 11,638.2 million (Euro 180 million) as certified by Keshari Keshari & Co., Chartered Accountants through a certificate dated March 30, 2012. The following lenders were repaid from the Refinancing Component:

Lender/ Borrower	In Euro million	In ₹ million
Oberbank AG	85.8	5,547.6
WestLB AG	50.0	3,232.8
Banc Sabadell, Spain;	5.5	357.2
Caixanova, Spain;	0.2	12.6
Institut Català de Finances,	2.5	161.6
Institut Català de Finances,	1.2	77.6
Loan to Peguform México, S.A. de C.V (Refer Note 1)	7.7	494.8

Loan to Peguform do Brasil Ltda (Refer Note 2)	14.9	965.2
Transaction Expenses	4.2	271.6
Total	**172.0**	**11,121.0**

Note 1:

Peguform México, S.A. de C.V

Bank	In Euro million	In ₹ million
Banamex Factoring,	1.9	124.4
HSBC,	0.6	38.2
Banamex	1.2	74.5
Banamex	0.4	22.9
HSBC	2.8	185.4
Banamex Factoring	0.8	49.4
Total	**7.7**	**494.8**

Note 2:

Peguform do Brasil Ltda

Bank	In Euro million	In ₹ million
Banco Santander	0.8	54.1
Banco Santander	0.8	54.1
Banco Santander	2.7	176.5
Banco do Brasil	3.6	230.1
Banco do Brasil	1.2	80.4
Banco Santander	0.9	58.2
Banco do Brasil	0.7	48.1
Banco Itau BBA SA,	1.7	107.8
Banco Itau BBA SA,	0.9	55.3
Banco BBA SA,	0.7	43.4
Banco HSBC	0.9	57.2
Total	**14.9**	**965.2**

The remaining ₹ 517.2 million (Euro 8.0 million) has not been utilised and will not be availed on account of extension of arrangements with the earlier lenders of Peguform Companies due to favourable terms. The cancellation of the said amount of ₹ 517.2 million (Euro 8.0 million) has been certified by Keshari Keshari & Co., Chartered Accountants through a certificate dated March 30, 2012.

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[*] *INR/ 1 Euro = 64.6569, source: RBI reference rates as of February 1, 2012*

2. Re-financing the acquisition of ₹ 13,487.8 million (Euro 190 million) ("Acquisition Component"):

The Acquisition Component of USD equivalent of ₹ 13,487.8 million (Euro 190.0 million) was to be utilized towards payment to the Sellers, re-financing existing debt, capital expenditure, working capital requirements, transaction expenses and future contingencies. This consists of (i) a term loan facility of USD equivalent of ₹ 6,887.8 million (Euro 97.0 million) provided to Forgu GmbH, Samvardhana Motherson B.V and SMGHL, in respect of which MSSL has provided an irrevocable, unconditional corporate guarantee for 1.10 times the said amount; and (ii) a term loan facility of USD equivalent of ₹ 6,600.0 million (Euro 93.0 million), which has been provided to Forgu GmbH, Samvardhana Motherson B.V and SMGHL, in respect of which our Company has provided an irrevocable, unconditional corporate guarantee for 1.10 times the said amount. The Facility Agreement provided for drawdown of ₹ 13,487.8 million (Euro 190 million) to be in USD. As certified by Keshari Keshari & Co., Chartered Accountants through a certificate dated March 30, 2012, Forgu GmbH, Samvardhana Motherson B.V. and Samvardhana Motherson Global Holdings Limited have drawn down a total of ₹ 13,487.8 million (USD 257.7 million) (equivalent to Euro 190 million)[(1)]. The entity wise drawn down are as set out below:

Particulars	Actual amount availed (in USD million)[1]	Actual amount availed (in ₹ million)[2]
Samvardhana Motherson B.V.	78.9	4,129.5
Forgu GmbH	171.3	8,965.7
Samvardhana Motherson Global Holdings Limited	7.5	392.6
Total	**257.7**	**13,487.8**

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[1] (i) Drew down USD 241.2 million (equivalent to Euro 177.5 million) on November 22, 2011 at an exchange rate of USD/ 1 Euro = 1.3585, and (ii) drew down further USD 16.5 million (equivalent to Euro 12.5 million)) on February 1, 2012 at an exchange rate of USD/ 1 Euro = 1.3216, as on February 1, 2012

[2] The amount has been computed in INR at an exchange rate of US$ 1 = INR 52.339. Considering the debt facility repayment will be in USD, the actual exchange rate on the date of re-payment will be applicable. In the event of an excess of the portion of Net Proceeds of upto ₹ 6,275 million after the repayment of its portion of debt facility due to changes in exchange rate, our Company shall use the excess amount under the category of "General Corporate Purposes". In the event of a shortfall of the portion of the Net Proceeds of upto ₹ 6,275 million towards the repayment of its portion of debt facility due to changes in exchange rate difference, our Company shall fund the said shortfall from its internal accruals and the amount raised from the Net Proceeds under the category of "General Corporate Purposes".

The acquisition facility of ₹ 13,487.8 million (USD 257.7 million), as certified by Keshari Keshari & Co., Chartered Accountants through a certificate dated March 30, 2012, has been utilised as follows:

Particulars	Actual amount availed (in USD million)	Actual amount availed (in ₹ million)[1]
Acquisition consideration	192.2	10,059.6
Loan to SMP Deutschland GmbH through a shareholder loan from Forgu GmbH (Refinancing the existing indebtedness, capital expenditures and working capital requirements of Peguform Group)	44.6	2,334.3
Loan to Peguform Iberica S.L. through a shareholder loan from Samvardhana Motherson B.V. (Refinancing the existing indebtedness, capital expenditures and working capital requirements of Peguform Group)	0.7	36.6
Acquisition related expenses and others	15.3	800.8
Unutilised amount	4.9	256.5
Total	**257.7**	**13,487.8**

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[1] The amount has been computed in INR at an exchange rate of US$ 1 = INR 52.339. Considering the debt facility repayment will be in USD, the actual exchange rate on the date of re-payment will be applicable. In the event of an excess of the portion of Net Proceeds of upto ₹ 6,275 million after the repayment of its portion of debt facility due to changes in exchange rate, our Company shall use the excess amount under the category of "General Corporate Purposes". In the event of a shortfall of the portion of the Net Proceeds of upto ₹ 6,275 million towards the repayment of its portion of debt facility due to changes in exchange rate difference, our Company shall fund the said shortfall from its internal accruals and the amount raised from the Net Proceeds under the category of "General Corporate Purposes".

As certified by Keshari Keshari & Co., Chartered Accountants through a certificate dated March 30, 2012 out of the total draw down amount of ₹ 13,487.8 million (USD 257.7 million), ₹ 6,600 million (USD 126.1 million) pertains to the term loan facility for which our Company has given an irrevocable, unconditional corporate guarantee. For details of the corporate guarantee provided by our Company and the facility documentation for the acquisition of the Peguform Companies and the Wethje Companies, see the section titled "Financial Indebtedness" on page 488.

Our Company's Portion of Acquisition Component to be re-financed from Net Proceeds:

Of the total drawn down amount of ₹ 13,487.8 million (USD 257.7 million) of the Acquisition Component, our Company proposes to prepay a portion of its guarantee to the extent of ₹ 6,275.0 million (USD 119.9 million) out of the total ₹ 6,600.0 million (USD 126.1 million), from the Net Proceeds. In relation to the said Acquisition Component, our Company proposes to utilize a portion of the Net Proceeds up to ₹ 6,275.0 million in Fiscal 2013 to repay / prepay the debt facility for which our Company had provided a corporate guarantee.

In the event of a shortfall of the portion of the Net Proceeds towards the repayment of its portion of debt facility of up to ₹ 6,275.0 million, our Company shall fund the said shortfall from its internal accruals and the amount raised from the Net Proceeds under the category of "General Corporate Purposes". In the event of an excess of the portion

of the Net Proceeds after the repayment of its portion of debt facility, our Company shall use the said excess amount under the category of "General Corporate Purposes". The shortfall / excess may take place due to changes in the USD exchange rates.

As of March 30, 2012, the following were the lenders with respect to the facility of USD 126.1 million (₹ 6,600.0 million):

Lender	In USD million	In ₹ million
ICICI Bank Limited	2.4	125.5
Standard Chartered Bank	2.4	125.5
Export-Import Bank of India	13.6	712.5
Axis Bank Limited	54.2	2,836.6
DBS Bank Limited	20.3	1,062.3
BTMU	33.2	1,737.6
Total	**126.1**	**6,600.0**

The lenders who will get repaid from the Net Proceeds will be those that hold the debt facility as on the date of the repayment.

In this regard, our Company will capitalize by way of equity, SMPL and SMH Mauritius, subject to applicable laws. For risks association with our investment in SMH Mauritius, see the section titled "Risk Factors – The Company has, in the past, applied for compounding an offence in relation to investment by an overseas Subsidiary in a joint venture in India" on page 18. Pending the equity investment in SMPL, our Company will invest in SMPL by way of inter corporate loan such that at any given point of time the total borrowings (including by way of guarantee) of SMPL will be in proportion of the ownership under the joint venture agreement. Our Company's investment in SMPL by way of inter corporate loan prior to the equity investment will result in the existing guarantee being substituted. Any equity investment in SMPL by MSSL and our Company will be simultaneous in the proportion of ownership under the joint venture agreement.

Neither SMPL nor SMH Mauritius has any stated dividend policy and our Company cannot be assured of any dividends from them, including in respect of its equity infusion from the Net Proceeds. Our Company will remain interested in SMPL and SMH Mauritius, and will derive benefits from them, to the extent of its shareholding in them.

As required under the SEBI Regulations, the financial information of the relevant entities in relation to acquisition of the Peguform Companies has been provided in the section titled "Financial Information of the Relevant Entities in relation to Acquisition of the Peguform Companies" on page 440.

c. Funding investments in our rear-view vision systems business

Our rear-view vision systems business is undertaken through a joint investment with MSSL in SMR. SMR, through its subsidiaries and joint ventures, undertakes the business of developing, producing and distributing rear vision systems for the international automotive industry. Our rear-view vision systems product line comprises both exterior and interior rear view vision systems, which we supply to the performance and premium segments, medium segments and the cost-driven, high-volume segments of the OEM market. For further details in relation to the business operations of SMR, see the section titled "Our Business" on page 146.

Our Company holds the entire equity share capital of SMH Mauritius, which in turn holds 49% of the equity share capital of SMGHL Cyprus. SMGHL Cyprus holds 93.6% of the equity share capital of SMR. As on March 31, 2011, our Company's indirect equity interest in the rear view visions system business, through SMR, is 63.21%. For further details in relation to our Company's equity interests in SMR, see the section titled "Financial Information" on page 243.

We intend to utilise part of the Net Proceeds of up to ₹ 1,560.0 million to invest in operating entities of SMR which investment will be utilised for meeting the operational capital expenditure of such entities. Our Company proposes to utilize the said amount of up to ₹ 1,560.0 million in the form of investment in the equity share capital of SMH

Mauritius. For risks association with our investment in SMH Mauritius, see the section titled "Risk Factors – The Company has, in the past, applied for compounding an offence in relation to investment by an overseas Subsidiary in a joint venture in India" on page 18. This investment of up to ₹ 1,560.0 million will be further invested by SMH Mauritius in SMGHL Cyprus in the form of equity. SMGHL Cyprus will, in turn, invest the said amount in the form of equity in SMR.

Neither SMH Mauritius nor SMR have any stated dividend policy and our Company cannot be assured of any dividends from SMH Mauritius or SMR, including in respect of its equity infusion from the Net Proceeds. Our Company will remain interested in SMH Mauritius or SMR, and will derive benefits to the extent of its direct or indirect shareholding in them, as applicable.

Historically, SMR has incurred approximately ₹ 1,451.0 million (EUR 22.5 million[*]) and ₹ 1,778.7 million (EUR 27.6 million[*]) in Fiscal 2010 and Fiscal 2011, respectively, towards recurring expenditure on account of normal capital expenditure in existing plant & machinery, moulds and dies, tooling equipments and technical know-how, as certificated by Keshari Keshari & Co., Chartered Accountants, through a certificate dated March 30, 2012.

[*] *INR/ 1 EUR = 64.4, source: RBI reference rates as of September 13, 2011*

Based on our management estimates, we expect SMR to incur, on a consolidated basis, expenditure of approximately ₹ 1,560.0 million in Fiscal 2013. We intend to deploy the Net Proceeds of up to the said amount in our rear-view vision systems business in Fiscal 2013.

d. General Corporate Purposes

Out of the Net Proceeds, ₹ [●] shall be utilized for general corporate purposes for (i) meeting any expense of our Company, our Subsidiaries and Joint Ventures, including salaries and wages, rent, administration, insurance, repairs and maintenance, payment of taxes and duties, (ii) repayment of our existing indebtedness, (iii) meeting expenses incurred in the ordinary course of business, (iv) strengthening our marketing capabilities and (v) any other purpose as may be approved by our Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act. Our management, in accordance with the policies of the Board, will have flexibility in utilizing any surplus amounts.

Issue related expenses

The estimated Issue expenses are as under:

(₹ *million*)

S. No.	Activity Expense	Amount	% of Total Estimated Issue Expense	% of Issue Size
1.	Fees of the Book Running Lead Managers[*]	[●]	[●]	[●]
2.	Underwriting commission, brokerage and selling commission (including commission and processing fees to SCSBs for ASBA Applications, as applicable)[*]	[●]	[●]	[●]
3.	Fees of the Registrar to the Issue[*]	[●]	[●]	[●]
4.	Fees of Advisors to the Issue[*]	[●]	[●]	[●]
5	Fees to the Bankers to the Issue[*]	[●]	[●]	[●]
6	Other Expenses (Auditors' fees, advertisement and marketing expenses, roadshow expenses, etc.)[*]	[●]	[●]	[●]
	Total	**[●]**	**[●]**	**[●]**

[*] *Will be incorporated at the time of filing of the Prospectus.*

Except for the listing fee which will be borne by our Company, all expenses relating to the Issue as mentioned above will be borne by our Company and the Selling Shareholder in proportion to the Equity Shares contributed to the Issue.

Interim use of funds

Our Company, in accordance with the policies established by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization for the purposes described above, our Company intends to invest the funds in high quality interest-bearing liquid instruments including money market Mutual Funds, deposits with banks or for reducing overdrafts. Our Company confirms that it shall not use the Net Proceeds for any investment in the equity markets.

Monitoring Utilization of Funds

Monitoring Agency

Axis Bank Limited
Axis House, C-2
Wadia International Centre
Pandurang Budhkar Marg
Worli, Mumbai 400 025
Telephone: +91 22 2425 2525
Fascimile: +91 22 2425 4200

Audit Committee and requirements under Listing Agreement

Pursuant to clause 49 of the Listing Agreement, our Company shall on a quarterly basis disclose to the Audit Committee the uses and applications of the Issue Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for the stated purposes and place it before the Audit Committee. Such disclosure shall be made only until such time that all the Issue Proceeds have been utilised in full. The statement will be certified by the statutory auditors of our Company. Our Company would be required to inform material deviations in the utilisation of Issue Proceeds to the Stock Exchanges and shall also be required to simultaneously make the material deviations/ adverse comments of the Audit Committee public through advertisement in newspapers.

Other confirmations

Other than as stated above, no part of the Net Proceeds will be paid by our Company as consideration to our Promoters, our Directors, members of our Promoter Group, Group Companies, associates or Key Managerial Personnel. Further, no funds have been brought in as Promoters' Contribution as on the date of this Red Herring Prospectus.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the Book Running Lead Managers on the basis of an assessment of market demand for the offered Equity Shares by the book building process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares of our Company is ₹ 10 each and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Qualitative Factors

Competitive Strengths

We believe that we have the following competitive strengths:

a) Global customer base and strong relationships with major auto OEMs
b) Market leadership position in exterior rear view vision systems
c) Long term partnerships and collaborations with global technology leaders, facilitating access to cutting-edge technology
d) We possess a wide range of capabilities, enabling us to provide end-to-end solutions to our customers
e) Achieving synergies through horizontal and vertical integration
f) Global manufacturing footprint arising from our philosophy of establishing production facilities close to our customers
g) Experienced and well qualified management team and a strong employee base

For a detailed discussion on the qualitative factors, which form the basis for computing the Issue Price, please refer to the sections titled "Our Business" and "Risk Factors" on pages 146 and 13, respectively.

Quantitative Factors

Information presented in this section is derived from our restated standalone and consolidated financial information prepared in accordance with the Companies Act and SEBI Regulations.

Some of the quantitative factors which may form the basis for computing the Issue Price are as follows:

1. Basic and Diluted Earnings per Share ("EPS")

As per our Company's restated standalone financial statements:

Year Ended March 31	Basic EPS	Diluted EPS	Weight
2011	0.28	0.28	3
2010	0.16	0.14	2
2009	0.33	0.33	1
Weighted Average	**0.25**	**0.24**	

The Basic and Diluted EPS on a standalone basis for the 9 month period ended December 31, 2011 was ₹ 0.52 and ₹ 0.52 respectively (not annualized)

As per our Company's restated consolidated financial statements:

Year Ended March 31	Basic EPS	Diluted EPS	Weight
2011	2.9	2.9	3
2010	2.1	1.9	2
2009	1.5	1.5	1
Weighted Average	**2.4**	**2.3**	

The Basic and Diluted EPS on a consolidated basis for the 9 month period ended December 31, 2011 was ₹ (2.5) and ₹ (2.5) respectively (not annualized)

Note:
EPS calculations are in accordance with Accounting Standard 20 'Earnings per Share' issued by the Institute of Chartered Accountants of India.

2. Price Earnings Ratio (P/E) in relation to the Issue price of ₹ [●] per share

S. No	Particulars	Consolidated	Standalone
1	P/E ratio based on Basic EPS for the year ended March 31, 2011 at the Floor Price:	[●]	[●]
2	P/E ratio based on Basic EPS for the year ended March 31, 2011 at the Cap Price:	[●]	[●]
3	Industry P/E*		
A	Highest		30.11
B	Lowest		18.38
C	Industry Composite		23.70

Note 1: The financial ratios for the Industry Peer Set have been computed on the basis of the consolidated financial information for such peers.
Note 2: The Industry high and low has been considered from the Industry Peer Set provided below.
Note 3: The Industry composite has been calculated computed as the arithmetic average P/E of the Industry peer set provided below. For further details please see "Comparison with Listed Industry Peers" below

3. Return on Net Worth (RoNW)

Year ended March 31	Consolidated (%)	Standalone (%)	Weight
2011	9.3	1.25	3
2010	7.3	0.71	2
2009	5.6	1.49	1
Weighted Average	**8.0**	**1.11**	

The Return on Net Worth on a consolidated and standalone basis for the 9 month period ended December 31, 2011 was (8.2%) and 2.25% respectively (not annualized)

Note 1: Return on Net Worth has been computed as Net Profit available to Equity Shareholders divided by Net Worth for Equity Shareholders.

Note 2: Net Worth for Equity Shareholders has been computed as sum of share capital and reserves less revaluation reserve and miscellaneous expenditure (to the extent not written off / adjusted).

Note 3: Net Profit available to Equity Shareholders has been defined as Restated Profit after tax (concern share) plus addition on change in holding in consolidated companies less dividend on preference shares of consolidated entities and tax on dividend paid by consolidating companies.

4. Minimum Return on Total Net Worth after Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2011

Based on Basic EPS:

At the Floor Price – [●] % and [●] % based on Restated Standalone and Consolidated financial information respectively.

At the Cap Price – [●] % and [●] % based on Restated Standalone and Consolidated financial information respectively.

Based on Diluted EPS:

At the Floor Price – [●] % and [●] % based on Restated Standalone and Consolidated financial information respectively.

At the Cap Price – [●] % and [●] % based on Restated Standalone and Consolidated financial information respectively.

5. Net Asset Value (NAV)

NAV (Consolidated) as at December 31, 2011: ₹ 30.3 per Equity Share

NAV (Standalone) as at December 31, 2011: ₹ 23.06 per Equity Share

Issue price: ₹ [●] per Equity Share

NAV (Consolidated) after the Issue: ₹ [●] per Equity Share

NAV (Standalone) after the Issue: ₹ [●] per Equity Share

Note: Net Asset Value per share has been computed as Net Worth for Equity Shareholders divided by equity shares outstanding at the end of the year

6. Comparison with Listed Industry Peers

S. No	Name of the Company	For the year ended March 31, 2011					
		Face Value (₹)	Total Income[(1)] (₹ in million)	Basic EPS[(2)] (₹)	P/E[(3)]	RoNW[(4)] (%)	NAV[(5)] (₹)
1.	Samvardhana Motherson Finance Limited[#]	10.00	56,345.1	2.9	[●]	9.3	31.5
2.	**Peer Group**						
	Bharat Forge Limited	2.00	50,872.95	12.41	25.87	14.84	83.89
	Bosch Limited[@]	10.00	66,817.48	274.00	30.11	20.96	1,305.15
	Exide Industries	1.00	47,660.80	7.28	20.45	25.95	28.06
	Motherson Sumi Systems Limited	1.00	81,756.32	10.12	18.38	24.29	41.51
3.	**Industry Composite**				23.70		

All the financial information mentioned above are on a consolidated basis

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[#] Source: Based on the Restated Consolidated Financial Information for the year ended March 31, 2011. Total income excludes other income.
[@]: Based on audited Financial Results for the financial year ended December 31, 2010

Note 1: Total Income is as sourced from the annual reports of the companies

Note 2: Basic EPS refers to the basic EPS sourced from the annual reports of the companies

Note 3: P/E Ratio has been computed as the closing market prices of the companies sourced from the BSE website as on March 30, 2012, as divided by the basic EPS provided under Note 2

Note 4: RoNW has been computed as net profit after tax (and after minority interest, wherever applicable) divided by the net worth of these companies. Net worth has been computed as sum of share capital and reserves

Note 5: NAV is computed as the net worth of these companies, computed as per Note 4, divided by the closing outstanding number of fully paid up equity shares as sourced from the BSE website for the company as on March

31, 2011(For Bosch Limited, the closing outstanding number of fully paid up equity shares is as on December 31, 2010)

7. The Issue price will be [●] times of the face value of the Equity Shares.

The Issue Price will be determined by our Company in consultation with the Book Running Lead Managers on the basis of the demand from investors for the Equity Shares through the Book Building Process.

STATEMENT OF TAX BENEFITS

To
The Board of Directors
Samvardhana Motherson Finance Limited
2nd Floor, F-7, Block -1
Mohan Co-operative Industrial Estate
Mathura Road,
New Delhi 110 044

Auditors' Report on statement of tax benefits available to Samvardhana Motherson Finance Limited and its shareholders

1. This report is issued in accordance with the terms of our agreement dated September 14, 2011.

2. The accompanying statement of tax benefits (the "Statement") available to Samvardhana Motherson Finance Limited ("SMFL" or the "Company") and its shareholders under the Income-tax Act, 1961 (read with Income-tax Rules, circulars, notifications) as amended by Finance Act, 2011 and the Wealth Tax Act, 1957 (hereinafter referred to as the "Income Tax and Wealth Tax Regulations"), has been prepared by the Management of the Company, pursuant to the requirements of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (herein after referred to as the "SEBI Regulations") and paragraph B of Part I of Schedule II to the Companies Act, 1956 (hereinafter referred to as the "Act") in connection with the Initial Public Offer of Equity Shares of the Company (the "Issue"), which we have initialled for identification purposes.

Directors' Responsibility for the Statement

3. The preparation of the Statement, which is to be included in the Red Herring Prospectus and the Prospectus, is the responsibility of the Directors of the Company and has been approved by the Board of Directors by way of a circular resolution on April 19, 2012 as explained in the emphasis of matter paragraph below. 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.

Auditors' Responsibility

4. Our work has been carried out in accordance with Generally Accepted Auditing Standards, as per the Guidance Note on Audit Reports and Certificates for Special Purposes issued by the Institute of Chartered Accountant of India and pursuant to SEBI Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the SEBI Regulations in connection with the proposed public Issue.

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 March 31, 2012 to the Company and its shareholders, in accordance with the Income Tax and Wealth Tax Regulations.

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 per the Statement in future; or
(ii) The conditions prescribed for availing the benefits per the Statement have been/ would be met with.

Emphasis of Matter

Without qualifying our opinion, we draw your attention to Note 7 on the Statement which has been inserted subsequent to the approval of the Statement on April 11, 2012 by the Board of Directors of the Company upon which we had issued our report dated April 12, 2012. Note 7 on the Statement clarifies that our scope of work and the terms of agreement, as agreed with the management of the Company are not at variance with relevant provisions of the Act, the Securities and Exchange Board of India Act, 1992 and the (Revised) Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India, respectively. The Statement, revised for inclusion of the abovementioned note, has been approved by the Board of Directors of the Company by way of a circular resolution on April 19, 2012. Accordingly, our report is now re-issued pursuant to this clarification only and no additional procedures are required to be carried out from the date of our earlier report.

Restriction on Use

This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Red Herring Prospectus and the Prospectus to be filed by the Company with SEBI and the concerned Registrar of Companies in connection with the proposed Issue.

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

Joy Kumar Jain
Partner
Membership Number F087659

Place: Noida
Date: April 20, 2012

STATEMENT OF TAX BENEFITS AVAILABLE TO SAMVARDHANA MOTHERSON FINANCE LIMITED ('SMFL' OR 'THE COMPANY') AND ITS SHAREHOLDERS

I. SPECIAL TAX BENEFITS TO THE ISSUER COMPANY

There are no special tax benefits available to the Issuer Company.

II. OTHER TAX BENEFITS TO THE ISSUER COMPANY

A. Under the Income-tax Act, 1961 ('the Act')

Subject to the fulfillment of conditions prescribed under the sections mentioned hereunder, the Company will be eligible, *inter-alia*, for the following specified exemptions/ deductions/benefits in respect of income under the head 'Capital Gains' and dividend income.

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 Recognized Stock Exchange in India and is chargeable to Securities Transaction Tax ("STT") [1]. 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).

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 (other than those covered in para 1.1 above)/units or zero coupon bonds (shares/units/ 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, at the option of the Company.

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.

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 that investments made on or after 1st April 2007 in such bonds, 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

[1] Finance Bill 2012 proposes to reduce the STT rate from 0.125% to 0.1% on cash delivery transactions

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. 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. Further, any expenditure incurred in/attributable to earning such dividend income is disallowable under section 14A of the Act read with Rule 8D of the Rules.

2.2. As per section 115-O(1) of the Act, the Company is required to pay Dividend Distribution Tax at a rate of 15% (plus applicable surcharge and education cess) on any amount declared, distributed or paid by way of dividends (whether interim or otherwise).

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, subject to fulfillment of specified conditions (Conditions proposed to be relaxed by Finance Bill 2012 for multi-tier structures).

2.3. As per section 115BBD(1), the dividend received during FY 2011-12 (proposed to be extended to FY 2012-13 by Finance Bill 2012) 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). 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 from whom dividend is received may need to be considered based on specific provisions of tax treaty entered into between India and such country.

2.4. As per section 10(35) of the Act, the Company will be eligible for an exemption in respect of the following income (other than capital gain referred to in para A (1) above):

- Income received from units of mutual funds specified under section 10(23D) of the Act;
- Income received in respect of units from the Administrator of specified undertaking; and
- Income received in respect of units from the specified company.

3. Other deductions/exemptions/benefits

3.1. As per section 70 of the Act, the Company is entitled to intra-head set-off of loss in an assessment year in the following manner:

- Loss from a source against income from another source within the same head of income (except loss under the head 'capital gain')
- Short term capital loss against capital gain (whether short term or long term)
- Long term capital loss against long term capital gain

3.2. As per section 71(1) and 71(2) of the Act, the Company is entitled to inter-head 'set-off' of loss (other than capital gains) under any other head of income for that assessment year. As per section 71(3), the Company is not entitled to 'set-off' loss under the head 'Capital Gains' against income under any other head.

3.3. As per section 72(1) of the Act, the Company is entitled to 'set-off' brought forward business loss, not being loss sustained in a speculation business, against business income in subsequent years. In accordance with the provisions of section 72(3), such losses can be carried forward for eight years.

3.4. As per the conditions of section 32(2) read with section 72(2) of the Act, the Company is entitled to 'set-off' brought forward unabsorbed depreciation against income in subsequent years. Further, unabsorbed depreciation can be carried forward for unlimited period.

3.5. As per section 74(1)(a) of the Act, the Company is entitled to 'set-off' brought forward short term capital loss against income under the head 'Capital gains'. Further, as per the provisions of section 74(1)(b), the Company is entitled to set-off long term capital loss against long term capital gains only. As per section 74(2), such capital losses can be carried forward for eight years.

3.6. As per section 80G of the Act, the Company will be entitled for a deduction of qualifying amount in respect of specified donations. For donations exceeding rupees ten thousand, the same is required to be paid in cheque as proposed by Finance Bill 2012.

3.7. 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. 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.

3.8. 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 and the 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).

III. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS

There are no special tax benefits available to shareholders of the Issuer Company.

IV. OTHER TAX BENEFITS TO THE SHAREHOLDERS

A. Under the Act

1. To all shareholders

1.1. As per section 10(34) of the Act, the shareholders will 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. Further, any expenditure incurred in/attributable to earning such dividend income is disallowable under section 14A of the Act read with Rule 8D of the Rules.

1.2. As per section 10(38) of the Act, 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), are exempt provided that the transaction of sale of such equity shares or units has happened on 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 for corporate assessees.

1.3. As per section 111A of the Act, short-term capital gains on sale of equity shares or units of an equity oriented mutual fund, 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). Relevant slabs for basic exemption, as applicable to the assessees, will need to be taken into consideration as per relevant Finance

Act. The Finance Bill 2012 proposes to clarify the applicability of slab benefits for individuals and HUF's, if income comprises of short term capital gains.

2. To resident shareholders

In addition to the tax benefits specified in para 1 above, following are the exemptions/deductions available to the resident shareholder:

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 (other than those covered in para 1.2 above)/units or zero coupon bonds (shares/units/ 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, at the option of the Company.

2.2. 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.

2.3. 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 on or after 1st April 2007 in such bonds, 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.

2.4. 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 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.

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 exemptions/deductions available to the non-resident shareholder:

3.1. As per section 90 of the Act, the non-resident shareholders, who are eligible to claim treaty benefits (subject to furnishing of Tax Residency Certificate in the specified format as proposed by Finance Bill 2012), will 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 deciding 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 not exempt under section 10(38), 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 gain.

3.4. As per section 112 of the Act and other relevant provisions of the Act, long term capital gains arising on transfer of listed securities (other than those covered in para 1.2 above)/units or zero coupon bonds (shares/units/ 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, at the option of the Company. However, in view of the divergent judicial precedents on this aspect, the applicability of this section needs to be evaluated on a case to case basis.

3.5. 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.

3.6. 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 on or after 1st April 2007 in such bonds, 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.

3.7. 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 90 of the Act, FIIs being non residents, who are eligible to claim treaty benefits (subject to furnishing of Tax Residency Certificate in the specified format as proposed by Finance Bill 2012), 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 deciding taxability in India.

5.2. 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, other than those referred to under section 111A of the Act shall be taxed @ 30% (plus applicable surcharge and education cess).
- 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.

5.3. 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 on or after 1st April 2007 in such bonds, 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.

B. Under the Wealth Tax Act, 1957

Shares of the Company held by the shareholder will not be treated as an asset within the meaning of section 2(ea) of Wealth Tax Act, 1957 and therefore no wealth tax is payable on shares.

Notes:

1. All the above benefits are as per the provisions of the Income-tax Act, 1961, Income-tax Rules, circulars, notifications as amended by Finance Act, 2011 including the proposals as per Finance Bill 2012, and the Wealth Tax Act, 1957, presently in force in India. They shall be available only to the sole/ first named holder in case the shares are held by the joint holders. Proposals as per Finance Bill 2012 may be amended/ deleted or new provisions may be incorporated during the passage of the Finance Bill in the Parliament and shall be effective only after the Finance Bill becomes an Act.

2. The current Act is proposed to be replaced by New Direct Tax Code 2010 (DTC) likely date of which is not certain. The tax implications on account of proposed DTC have not been examined by us.

3. In respect of non-residents, the tax rates and the consequent taxation mentioned 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 which the non-resident is a tax resident.

4. In view of the individual nature of tax consequences, each investor is advised to consult his/ her own tax advisor with respect to specific tax consequences of his/her participation in the IPO.

5. The above Statement of Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

6. No assurance is given that the Revenue authorities/ courts will concur with the 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. We will not be liable to any person in respect of this Statement.

7. Subsequent to the approval of this statement of tax benefits on April 11, 2012 by the Board of Directors of the Company, it is now further clarified that the scope of work and the terms of agreement of the statutory auditors, as agreed with the management of the Company, are not in variance with relevant provisions of the Companies Act, the SEBI Act and the (Revised) Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India, respectively. This revised Statement of Tax Benefits has been approved by the Board of Directors of the Company by way of a circular resolution on April 19, 2012.

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section is derived from various publicly available sources, government publications and other industry sources, including reports that have been prepared by Frost & Sullivan (S) Pte Ltd ("Frost & Sullivan") and CRISIL Limited ("CRISIL"). This information has not been independently verified by us, the Book Running Lead Managers, or their respective legal, financial or other advisors, and no representation is made as to the accuracy of this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and accordingly, investment decisions should not be based on such information.

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I Overview of the Global Passenger Vehicles Market

(A) Overview

The automotive industry is one of the most important contributors to the global economy with global revenues estimated around €1.78 trillion in 2010 *(Source: Frost & Sullivan Report)*. It generates significant employment opportunities via its complex supply chain comprising component manufacturers, OEMs, dealers, distributors, service providers and providers of other ancillary products and services. The demand for vehicles - cars and trucks - is considered to be an important indicator in gauging a nation's economic health.

The automotive industry is mature, capital intensive and vertically integrated, thereby posing very high entry barriers to new entrants in both the vehicle and OE component manufacturing segments, especially in regions such as Europe, North America and Japan. However, the developing automotive industry in the BRIC (Brazil, Russia, India, China) nations is providing new opportunities for OEMs and suppliers to expand their global footprint. The top ten OEMs accounted for approximately 73.3% of the total Light Vehicles (LV) production in the world. *(Source: Frost & Sullivan Report)*. Automotive industry profitability is highly dependent on external factors such as oil prices, commodity prices and interest rates.

The heightened awareness of the environmental hazards of carbon dioxide (CO_2) is having a significant impact on the global automotive industry. Production of "greener" vehicles and reduction of environmental pollution are top priorities for OEMs and regulators. Companies are seeking to achieve this largely through increasing the fuel efficiency of vehicles produced, improving engine technologies to reduce harmful gas emissions and using greener fuels. As a result, technology development and deployment is increasingly emerging as one of the key differentiators among the key vehicle and OE component manufacturers.

The global economic downturn impacted the automotive industry significantly from 2007 to 2009. However, the automotive industry rebounded strongly in 2010. LV production for 2010 was approximately 74.3 million units, which is an increase of 24.8% over the 2009 recessionary production level *(Source: Frost & Sullivan Report)*. Improved economic conditions and consumer confidence together with stable oil prices have resulted in higher demand for vehicles in 2010.

The automotive industry currently faces minimal disruptions in vehicle production and automotive components supply following the devastating earthquake on March 11, 2011. The Tohoku earthquake, its

aftershock and crisis in electricity supply from the two major power companies have taken a toll on the Japanese economy. Output volumes have reduced considerably and suppliers using JIT (Just in Time) schedules or VMI (Vendor-Managed Inventory) are still working around the implications of the massive natural disaster that struck the Japanese economy. Despite the far-reaching impact, many plants resumed operations in a matter of a few weeks. Sendai port in Japan, the hub for origination of automotive shipments, reopened for commercial operation less than five weeks after the devastating tsunami impact of the earthquake.

Although production volumes in May 2011 were just about 50% as compared to the same period in 2010, it is expected that there will be an upswing in production volumes starting June this year based on the optimistic outlook from the OEMs. Major Japanese automakers are expected to meet their 2011 annual production targets sooner than expected for this year as they have increased their production in a phased manner.

Japanese OEMs are revamping their parts sourcing strategies and are focussing on sourcing from additional local suppliers. Japanese firms who have been the pioneers of JIT are also considering at reducing their reliance on a single supplier. The number and location of production facilities, in addition to cost and quality, is expected to be a key decision criterion for Japanese OEMs in selecting their suppliers. This development could prove to be a challenge for smaller automotive component manufacturers who may not have adequate financial resources to build new production facilities. These companies may consider consolidating with larger suppliers to realise most significant economies of scale.

(B) Industry Definition and Segmentation

The automotive industry is divided primarily into two major segments - light vehicles and heavy vehicles.

- Light vehicles consist of passenger cars, multi-purpose vehicles (MPVs), sport utility vehicles (SUVs) and sports cars as well as light commercial vehicles such as pick-up trucks, light trucks and vans.
- Heavy vehicles include trucks, buses, prime movers and special-purpose vehicles that are predominantly used for commercial applications.

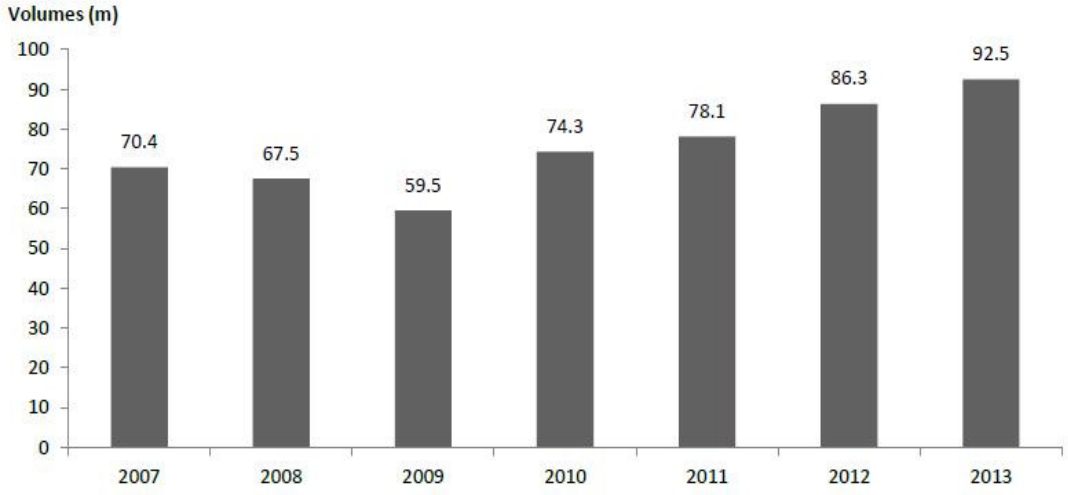
Among light vehicles, passenger cars are further divided into basic cars, small cars, mid-sized cars, large cars and large-plus cars based on their length. They are also divided into economy, non-premium, premium and super-premium cars depending on their price, brand positioning and level of trim/accessories.

(C) Industry Volumes and Trends

Total global automotive LV production reached approximately 67.5 million units in 2008. Due to the global economic downturn, production volumes declined at an annual rate of 11.8% to reach approximately 59.5 million units in 2009. Following improved economic conditions and consumer sentiment, production volumes increased by 24.8% to 74.3 million units in 2010. Despite the overall declining market volumes during 2008 and 2009, the basic and small car segments cumulatively grew from approximately 15.8 million in 2008 to approximately 18.9 million in 2010 at an annual rate of 9.3%. *(Source: Frost & Sullivan Report)*

The global production of LV is expected to grow at a CAGR of 7.6% between 2010 and 2013 to reach approximately 92.5 million units in 2013. Enhanced purchasing power in emerging economies, further introduction of environmentally friendly vehicles, new/upgraded model line-ups and pent-up demand are likely to drive this growth. All major regions are expected to witness an increase in the production of passenger vehicles - NA (7.8%), EU (4.2%) and APAC (9.0 %) *(Source: Frost & Sullivan Report)*

(D) Light Vehicles Production Volumes (2007-2013)



Source: Frost & Sullivan Report

Regional Volume and Growth Trends

Global LV production is concentrated in three key regions – North America (NA), Europe (EU), and Asia Pacific (APAC). These three regions cumulatively accounted for approximately 91.4% of overall LV production in 2010. *(Source: Frost & Sullivan Report)*

North America (NA) - Production volumes in NA accounted for approximately 15.9% of global LV production in 2010. As NA was the epicenter of the global economic crisis, LV volumes witnessed the highest decline since the Great Depression. From approximately 12.6 million units in 2008 LV production declined to approximately 11.8 million units in 2010 at an annual rate of 3.0%. Improving economic conditions, leaner operations of North American auto manufacturers and higher consumer confidence are projected to lead to an increase in LV production to approximately 14.8 million units by 2013, which represents a CAGR of 7.8% from 2010. *(Source: Frost & Sullivan Report)*

Europe (EU) - In 2010, EU accounted for approximately 25.9% of global LV production. LV production in EU declined from approximately 20.9 million units in 2008 to approximately 19.2 million units in 2010 at an annual rate of 4.2%. Several incentive and scrappage schemes across the European Union were announced that helped to mitigate production declines during the economic crisis. Production volumes in EU are estimated to reach approximately 21.7 million units by 2013 by growing at a CAGR of 4.2% from 2010. *(Source: Frost & Sullivan Report)*

Asia Pacific (APAC) - APAC is the largest LV producing region in the world, accounting for approximately 49.6% of global production volumes in 2010. APAC production volumes increased from approximately 28.3 million units in 2008 to approximately 36.9 million units in 2010 at an annual rate of 14.1%. Production volumes in countries like China and India grew rapidly, which offset the production decline in Japan, NA and EU. APAC's LV production volume is projected to reach approximately 47.7 million units by 2013 by growing at a CAGR of 9.0% from 2010. It is likely to remain the major LV producing region in the world. In 2009, China became the largest automotive market in the world driven by the Government incentives for the purchase of cars and vans in rural areas. As a result, LV production in China grew from approximately 8.5 million units in 2008 to approximately 16.8 million units in 2010 at an annual rate of 40.5%. China is expected to remain the leading LV producing country in the world in 2013 with around 23.7 million units. *(Source: Frost & Sullivan Report)*

Rest-of-World (ROW): This includes other regions mainly Latin America, the Middle East, and Africa, which accounted for approximately 8.6% of global LV production in 2010. Production volumes in this

region were stable from 2008 to 2010 reaching approximately 6.4 million units in 2010. By 2013, the production volumes of LV in ROW are estimated to reach approximately 8.3 million units growing at a CAGR of 9.0% from 2010. *(Source: Frost & Sullivan Report)*

Competitive Landscape and Key Market Participants

The top ten OEMs had a combined LV production of approximately 54.4 million units in 2010, which represented approximately 73.3% of the overall global LV production. In 2008, their combined LV production was approximately 51.9 million units, which represented approximately 76.9% of the global LV production. By 2013, their cumulative production is expected to reach approximately 65.8 million units by growing at an annual rate of 6.5% from 2010 and is likely to represent 71.1% of global LV production volume. *(Source: Frost & Sullivan Report).*

Some key data regarding these market participants are discussed below.

Top 10 Passenger Vehicle Manufacturers (OEMs)

	2008 Production (million)		2009 Production (million)		2010 Production (million)		Projected 2011 Production (million)	
OEM	**Rank**	**Production**	**Rank**	**Production**	**Rank**	**Production**	**Rank**	**Production**
Toyota	1	8.9	1	7.0	**1**	**8.2**	1	8.3
Volkswagen	4	6.5	2	6.2	**2**	**7.5**	2	8.0
General Motors	2	7.8	3	5.6	**3**	**7.4**	4	7.5
Renault-Nissan	3	6.9	4	5.5	**4**	**7.3**	3	7.7
Hyundai + Kia	Joint 5	4.9	5	5.3	**5**	**6.5**	5	6.6
Ford	Joint 5	4.9	6	4.3	**6**	**5.1**	6	5.4
PSA	8	3.4	7	3.2	**7**	**3.7**	8	3.7
Honda	7	3.9	8	3.0	**8**	**3.6**	7	3.8
Suzuki	Joint 9	2.4	10	2.2	**9**	**2.6**	9	2.7
Fiat	Joint 9	2.4	9	2.4	**10**	**2.4**	10	2.6
Total Top 10 OEMs		**51.9**		**44.6**		**54.4**		**56.5**

Source: Frost & Sullivan Report

(E) Key Emerging Trends and Outlook

Key Emerging Trends

Frost & Sullivan believes some of the key trends impacting the global automotive industry are as outlined below.

Shift of Production Bases to Asia - Asia is uniquely positioned to become the new production base for the global automotive industry as it has large untapped automotive markets, a deep talent pool and low cost of production. Moreover, the local supplier base is also well developed and quality conscious. This makes it an ideal export hub and in addition enables it to serve the Asian domestic markets.

Strategic Alliances and Partnerships - The formation of strategic alliances and partnerships is expected to be the most favoured mode for consolidation in the global automotive industry. The significant drivers for consolidation in the next few years are likely to be technology acquisition, establishment of a robust global footprint and acquisition of brands that have high recognition and strong relationships with customers.

Emergence of Low-cost and Electric Cars - The period 2010-2013 is crucial for low-cost cars (LCCs) and electric vehicles (EVs). Highly commended models in both these categories entered the market in 2010. The full–scale commercial launch of the Tata Nano has created a new market for passenger cars at lower price points. 2010 also witnessed the launch of the Nissan Leaf, the first all-electric city car and the Chevrolet Volt, GM's plug-in hybrid electric vehicle. While production volumes of LCCs have reached moderate levels, remarkable production volumes of EVs however are expected only after 2013.

Green Imperative - There is a high level of awareness about the environmental hazards of automotive emissions. Governments in Europe and the United States are drafting and implementing regulations that mandate lowering of harmful emissions. OEMs are focused on developing new technologies and/or making significant improvements to existing vehicles in order to increase fuel efficiency and lower emissions. They are working collaboratively with OE automotive component manufacturing companies to achieve this goal.

Zero-accident / Smart Cars - Light vehicles are being considered and developed as living spaces rather than merely transport. Most global OEMs are aiming to develop cars that promise zero emissions and zero accidents. Their efforts are directed towards equipping the vehicle with a wide variety of sensors, driver assistance systems and control mechanisms that help to avoid accidents/crashes.

II Overview of Indian Economy

India's population is approximately 1.2 billion, second only to China. India has an estimated GDP of approximately US$4.06 trillion in 2010 (based on purchasing power parity), which makes it the fourth largest national economy in the world after the United States of America, China and Japan.[1] The Indian economy has averaged a growth rate of over 7.0% per annum since 1997, which has made it one of the world's fastest growing economies. In 2010, the Indian economy rebounded robustly from the global financial crisis – in large part because of strong domestic demand – and growth exceeded 8% year-on-year in real terms. *(The World Factbook 2009. Washington D.C.: Central Intelligence Agency, 2009; https://www.cia.gov/library/publications/the-world-factbook/index.html)*

GDP: Real Growth Rates

Countries	2008 (estimated) %	2009 (estimated) %	2010 (estimated) %
United States of America	0.0	(2.6)	2.8
China	9.6	9.2	10.3
Japan	(1.2)	(6.3)	3.9
India	6.2	6.8	10.4

(The World Factbook 2009. Washington D.C.: Central Intelligence Agency, 2009; https://www.cia.gov/library/publications/the-world-factbook/index.html)

The Indian economy has shown signs of moderation in growth lately, although real GDP at factor cost has grown from 8.0% in 2009-2010 to 8.5% in 2010-2011. Sequentially, growth had decelerated in each quarter of 2010-2011, though it remained close to trend in the fourth quarter. *(Source: Central Statistics Office; Reserve Bank of India – Macroeconomic and Monetary Developments First Quarter Review 2011-12)* The new base for the Index of Industrial Production (IIP) decelerated during April-May 2011. While automobile sales witnessed moderation during Q1 of 2011-2012, the IIP suggests that the recovery from the industrial downturn induced by the global financial crisis further consolidated in 2010-2011 with IIP growth accelerating to 8.2% from 5.3% in the preceding year. *(Source: Reserve Bank of India, Macroeconomic and Monetary Developments First Quarter Review 2011-2012)*

III Overview of the Indian Automotive Industry

The automotive sector is one of the core industries of the Indian economy. The de-licensing of the sector in 1991 and the subsequent opening up of the sector to foreign direct investment levels of up to 100% and the permission of such investment under the automatic route were significant for the Indian automotive industry. Since the institution of these reforms, almost all the global major automotive players have set up facilities in India.

The Government of India, through the Ministry of Heavy Industries and Public Enterprises, has implemented the Automotive Mission Plan 2006-2016, a 10-year plan aimed to sustain and accelerate the growth of the Indian automotive sector. This plan intends to double the contribution of the automotive

[1] Excluding the European Union.

sector to Indian GDP by increasing the sector's output to US$ 1.45 billion in 2016. The plan aims to achieve this output by emphasising the export of small cars, multi-utility vehicles, two- and three-wheelers and automotive components. The plan projects that the size of the automotive industry will reach between US$ 122 billion and US$ 159 billion by 2016, including US$ 35 billion in exports. This translates into a 10%-11% contribution to Indian GDP in 2016, or double the 2006 contribution from the automotive industry. *(Source: Automotive Mission Plan 2006-2016)*

There has been an increase in the production of commercial vehicles from 520,000 units in 2006-2007 to 752,597 units and of cars from 1,544,850 units to 2,986,797 units in 2010-2011. Certain details of the increase in production volumes in the automotive sector from 2006-2007 to 2010-2011 are set forth below:

Year	Commercial vehicles (units)	Two-wheelers (units)	Three-wheelers (units)	Tractors (units)	Cars and multi-utility vehicles (units)
2006-2007	520,000	8,436,186	555,887	355,078	1,544,850
2007-2008	548,823	8,009,292	500,592	344,792	1,767,972
2008-2009	416,970	8,369,560	496,832	335,011	1,825,748
2009-2010	565,004	10,510,862	619,093	427,888	2,335,081
2010-2011	752,597	13,376,451	799,553	529,769	2,986,797

(Source: CRISIL Research, SIAM, August 2011)

IV Overview of the Global Automotive Components Market

(F) Overview

The automotive components market is influenced largely by the trends in the global automotive industry. As with the broader automotive market, this market is mature and capital intensive and is characterized by high entry barriers. OEMs have extremely close working relationships with automotive component vendors as product development time is in the range of 3-5 years.

The year 2009 was challenging for all automotive component manufacturers. Most of the prominent automotive component manufacturers witnessed low capacity utilization and made losses. The OE automotive components market is expected to grow at a rate of approximately 8.2% during the period 2010 to 2013 in tandem with the growth in vehicle production. The overall revenues of the top 50 automotive component suppliers are expected to reach approximately €472.4 billion in 2013, which is likely to account for approximately 60.0% of the total automotive components market revenues. *(Source: Frost & Sullivan Report)*

(G) Industry Definitions and Segmentation

The automotive components market can be divided into two segments - OE components and aftermarket components.

OE components are procured by OEMs and are used in the production/assembly of new vehicles as well as for servicing the vehicles manufactured by OEMs. OE components for LV can be further categorized by functionality such as body parts, powertrain, chassis, electrical/electronics, interior/exterior parts and safety parts.

Aftermarket components are sold directly to spare parts dealers and distributors as well as independent (third-party) vehicle-servicing stations.

Based on the above categorization, participants in the overall automotive components market can be segmented into two categories as follows:

OE–focused component manufacturers are those that derive a majority (approximately 75.0 %) of their revenues from the sales of OE parts to OEMs. These companies tend to have global operations, high technical and R&D expertise and strong relationships with OEMs. *(Source: Frost & Sullivan Report)*

The current supply chain of OE automotive component manufacturers is very complex. It has a pyramidal structure with OEMs at the top followed by Tier-1, Tier-2, and Tier-3/4 automotive components suppliers at the base of the pyramid. Tier-1 and Tier-2 automotive components suppliers need to invest in R&D and engineering manpower, jigs and fixtures and they tend to have stronger relationships with OEMs. They also venture into new manufacturing locations targeted by OEMs in conjunction with them. *(Source: Frost & Sullivan Report)*

Aftermarket-focused component manufacturers are those companies that derive almost all or a majority (approximately 65.0% or more) of their revenues from the sales of aftermarket parts to spare parts dealers/distributors and third-party vehicle-servicing outlets. Most aftermarket component manufacturers are relatively smaller companies when compared to OE automotive component manufacturers. *(Source: Frost & Sullivan Report)*

(H) Market Trends

The OE automotive component market growth is in line with the LV production trends. As is the case with OEMs, OE automotive component manufacturers are expanding their production base in the developing/emerging economies. In the next few years, most of the OEMs are aiming at significantly increasing their component sourcing from Asia.

The various green initiatives driven by OEMs are compelling OE automotive component manufacturers to implement design changes and material changes in order to improve fuel efficiency, reduce emissions and ease the recyclability of parts/components.

There is an increasing convergence of vehicle safety systems, telematics and driver assistance systems to increase the intelligence within vehicles and minimize driver errors that will result in accidents and crashes. This trend toward zero accidents has an impact on the design and deployment of sub-systems/modules and components.

Most OE automotive component manufacturers are recognizing the significant growth potential offered by emerging economies. They need to be near OEMs' headquarters in order to co-develop new solutions and support the OEMs in the target markets so as to help localize components for that specific market/region.

Most of the Tier-1 and Tier-2 automotive component suppliers have recovered from the recession in 2010 and have registered profits. Component suppliers that have invested in emerging markets and green technologies are expected to grow during the forecast period. The emergence of LCCs and EVs presents both challenges and opportunities to OE automotive component manufacturers, especially to Tier-1 automotive component suppliers. *(Source: Frost & Sullivan Report)*

V Analysis of the OE Rear View Mirrors Market

(I) Introduction

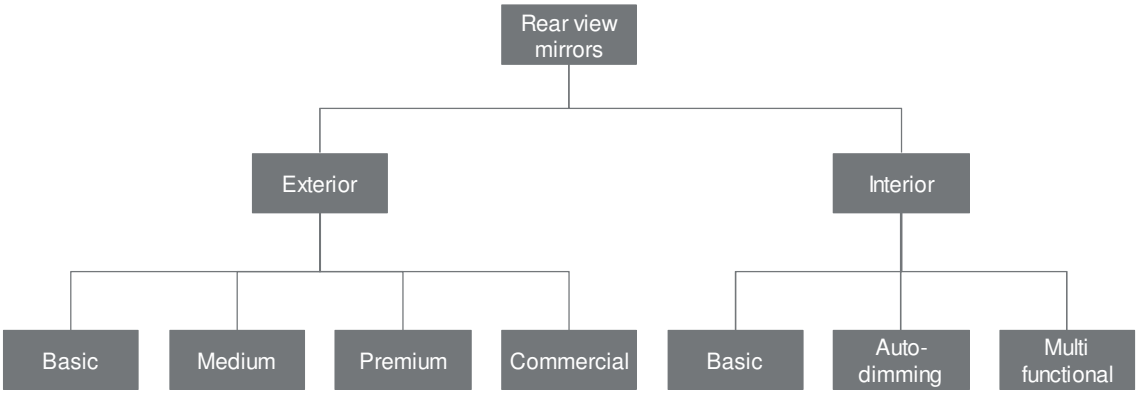
Each light vehicle is typically equipped with three rear view mirrors – two exterior mirrors and one interior mirror. OEMs source these mirrors from the OE automotive component manufacturers specializing in mirror assembly.

The basic function of a rear view mirror is to improve driver safety by allowing the driver to view objects behind the vehicle. These mirrors are becoming increasingly sophisticated with multiple integrated functions. Rear view mirrors placed externally must address legally specified viewing conditions and pedestrian impact properties as well as styling, reduction of wind noise and aerodynamics. Rear view mirrors within the vehicle cabin are also gaining importance as a place for the integration of

communication functions. Recent vehicle models are increasingly incorporating rear view cameras, radars and sensors to assist the driver. These new sophisticated features / equipment are expected to provide additional information and assistance to the drivers but are not expected to replace the rear view mirror's primary utility and benefit from a safety standpoint.

(J) Industry Segmentation

The automotive rear view mirrors industry can be segmented into two main categories – exterior rear view mirrors and interior rear view mirrors. These are further sub-segmented as outlined below.



Source: Frost & Sullivan Report

Exterior Rear View Mirrors

The exterior mirror assembly consists of a mirror within a housing which is attached to the body of a motor vehicle, which can also include a pivoting mechanism around which the mirror folds. The mirror angle may be adjusted manually or through a motorized control.

OE Rear View Mirror Market – Global and Regional Trends

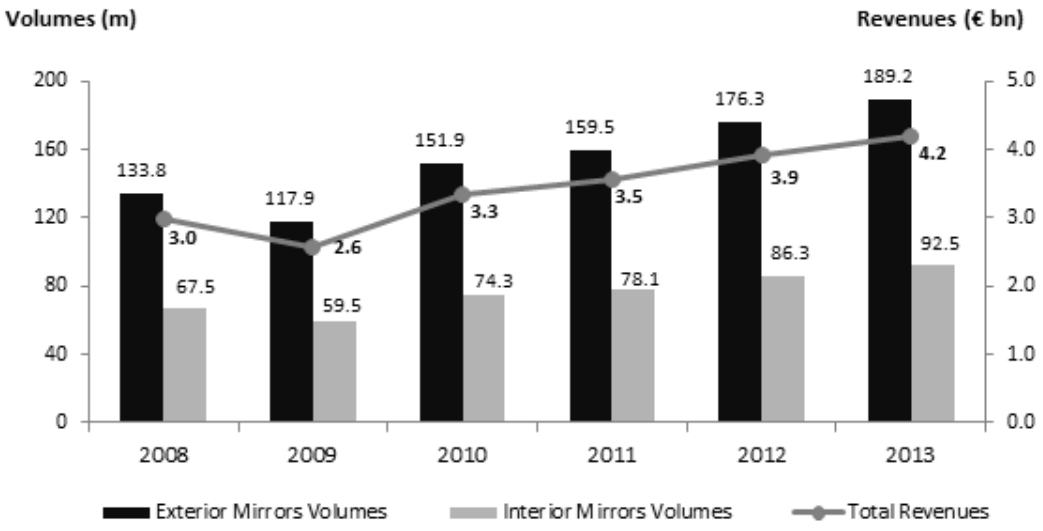
The global sales of OE automotive exterior rear view mirrors for LV increased from approximately 133.8 million units in 2008 to approximately 151.9 million units in 2010 at a CAGR of 6.5%. The global sales of OE automotive interior rear view mirrors for LV also witnessed an increase from approximately 67.5 million units in 2008 to approximately 74.3 million units in 2010 at a CAGR of 4.9%, which was in line with the global LV production volumes.

Total revenues for the automotive OE rear view market (including exterior and interior rear view mirrors) are expected to reach approximately €4.2 billion by 2013. The production of OE exterior rear view mirrors is estimated to be approximately 189.2 million units with revenues of approximately €3.1 billion by 2013. The OE interior rear view mirror market is estimated to be approximately 92.5 million units with revenues of approximately €1.1 billion by 2013. *(Source: Frost & Sullivan Report)*

The product sub-segments that are likely to show promising growth in revenues within the OE exterior rear view mirror market are the medium and premium sub-segments. The medium exterior rear view mirror sub-segment is projected to grow from approximately €1.2 billion in 2010 to approximately €1.6 billion in 2013 at a CAGR of 10.6 percent. The premium exterior rear view mirror sub-segment is projected to grow from approximately €305.4 million in 2010 to approximately €395.5 million in 2013 at a CAGR of 9.0 percent. *(Source: Frost & Sullivan Report)*

In the OE interior rear view mirror segment, the multifunctional mirror sub-segment is the fastest growing segment and is projected to grow from approximately €416.0 million in 2010 to approximately €550.2 million by 2013 at a CAGR of 9.8 percent. *(Source: Frost & Sullivan Report)*

(K) OE Rear View Mirror Market Volume and Revenue Forecast



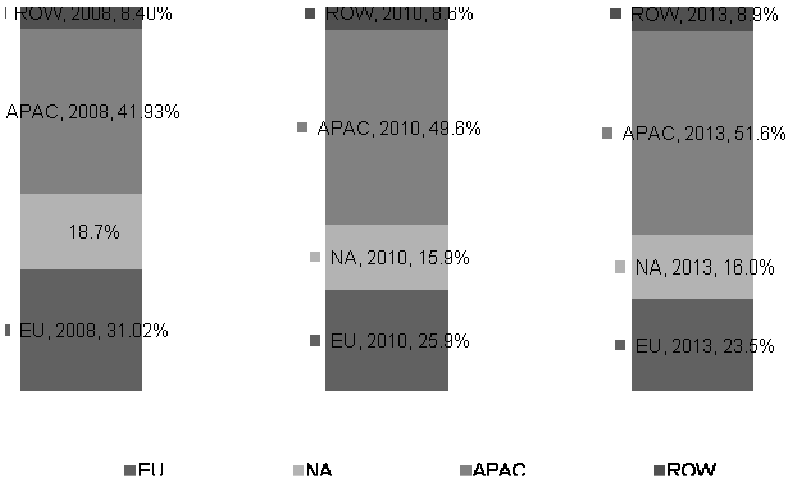
Source: Frost & Sullivan Report

Geographical Trends for OE Rear View Mirrors

APAC, with a share of approximately 49.6% of total global volume, was the largest market in the overall OE rear view mirror market in 2010. EU accounted for a share of approximately 25.9% and NA contributed approximately 15.9% to the overall market in 2010. APAC market share has grown by 7.7% from 2008 to 2010. *(Source: Frost & Sullivan Report)*

By 2013, production in NA is expected to retain 16.0% of the overall OE rear view mirror market. EU is likely to account for approximately 23.5% of the overall market and APAC's share is estimated to increase to approximately 51.6%. The share of ROW (consisting of Latin America, the Middle East and Africa) is expected to increase from approximately 8.6% in 2010 to about 8.9% in 2013. *(Source: Frost & Sullivan Report)*

(L) OE Rear View Mirror Market Geographical Trends Forecast

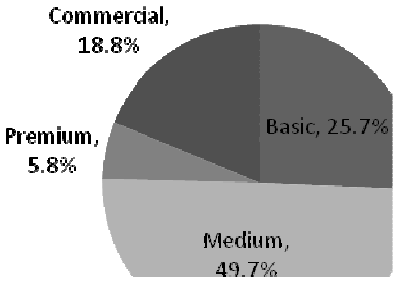


Source: Frost & Sullivan Report

(M) Exterior OE Rear view Mirror Market

The global sales of OE exterior rear view mirrors for LV increased from approximately 133.8 million units in 2008 to approximately 151.9 million units in 2010 at a CAGR of 6.5%, including a small percentage around 2-3% of mirror volumes, that are typically required as spares or replacement parts. Global revenues increased from approximately €2.2 billion in 2008 to €2.5 billion in 2010, at an average annual rate of 5.2%. *(Source: Frost & Sullivan Report)*

Product Segment Analysis



Volumes in the basic exterior rear view mirror segment are expected to increase from approximately 39.0 million units in 2010 to approximately 40.6 million units by 2013 and consequently revenue contribution is expected to increase from approximately €296.4 million to approximately €304.6 million. *(Source: Frost & Sullivan Report).*

Sales volumes in the medium exterior rear view mirror segment are expected to grow from approximately 75.5 million units in 2010 to approximately 102.5 million units in 2013 as there is a steady shift from the basic exterior rear view mirror segment to the medium exterior rear view mirror segment in the APAC regions. Revenues are expected to increase from approximately €1.2 billion to approximately €1.6 billion in the same period. *(Source: Frost & Sullivan Report)*

Revenues for the premium exterior rear view mirror segments are likely to increase from approximately €305.4 million in 2010 to approximately €395.5 million in 2013 at an annual rate of 9.0% while commercial exterior rear view mirror segment revenues are also expected to increase in tandem with the respective vehicle volumes from approximately €652.5 million in 2010 to approximately €813.5 million in 2013. *(Source: Frost & Sullivan Report)*

Styling and Safety Trends of Exterior Rear View Mirrors

Exterior rear view mirrors are playing an increasingly important role in providing safety, aesthetics and convenience to a LV. These mirrors incorporate various styling elements such as high gloss surfaces and LED turn signal lamps. Future innovations are likely to include additional safety features such as warning lamps of lane change assist systems. Usage of electrochromatic mirrors for an auto dimming function is also on the rise with approximately 50.0% of premium exterior rear view mirrors incorporating this feature. *(Source: Frost & Sullivan Report)*

Pricing Trends

No appreciable upward or downward trend in exterior rear view mirror pricing is expected until 2013. The price range for a basic exterior rear view mirror is likely to stay at a level of approximately €8/unit; medium exterior rear view mirrors are expected to stay at a level of approximately €16/unit; and premium exterior rear view mirrors are expected to increase in average price of €34/unit today to approximately €38/unit in 2013 due to increased fitment rates of integrated camera systems and other electric features. The average price for an external commercial rear view mirror is likely to stay at a level of €23/unit.

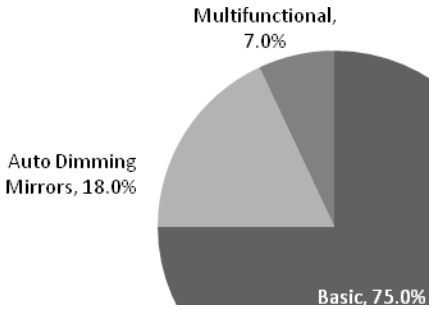
In general the downward pricing trends for standard rear view mirror components and cost savings through cost optimized design and volume effects are overcompensated by an increased demand of integrated comfort features styling requirements. This explains the expected maintaining of the general price levels of exterior rear view mirrors in each level. *(Source: Frost & Sullivan Report)*

(N) Interior OE Rear View Mirror Market

Interior Rear View Mirror Revenue Trends

Global sales of interior rear view mirrors increased from approximately 67.5 million units in 2008 to approximately 74.3 million units in 2010, at a CAGR of 4.9% which was in line with the increase in global LV production volumes. Global revenues increased from approximately €740.1 million in 2008 to approximately €865.1 million in 2010 at a CAGR of 8.1% mainly due to an increase in the average price of interior rear view mirrors. In 2010, APAC had a market share of approximately 49.6% of the interior rear view mirror market in volume terms. EU and NA respectively had a share of approximately 25.9% and 15.9% while ROW contributed approximately 8.6%. By 2013, the North American market is expected to remain at approximately 16.0% to the overall interior rear view mirrors market in volume terms, Europe's contribution is likely to settle at approximately 23.5%, Asia Pacific's share would increase to approximately 51.6% and ROW share is expected to be approximately 8.9% *(Source: Frost & Sullivan Report)*

Product Segment Analysis



Product segment level analysis within the interior rear view mirrors market indicates that the basic interior rear view segment is giving way to auto-dimming and advanced multifunctional interior rear view mirrors. The volumes in the basic interior rear view segment are expected to increase from approximately 55.7 million units in 2010 to approximately 69.4 million units in 2013. The volumes of auto dimming interior rear view mirrors are expected to increase from approximately 13.4 million units in 2010 to 16.6 million units in 2013. The unit price of advanced multifunctional interior rear view mirrors is likely to increase significantly from 2010 to 2013 due to the addition of advanced features. As a result, the revenues from advanced multifunctional interior rear view mirror sales are expected to increase from approximately €416.0 million in 2010 to approximately €550.2 million in 2013. *(Source: Frost & Sullivan Report)*

Interior Rear View Mirrors' Convenience and Display Features

The interior rear view mirror plays an important role in increasing the driving safety of a vehicle. The auto dimming feature is gaining popularity as it reduces glare while driving at night. Interior rear view mirrors are also considered to be an ideal instrument for hosting various sensors, radio controls and other electronics. These advanced features can involve the operation of garage doors, payment of road tolls or other similar applications in the future. *(Source: Frost & Sullivan Report)*

Pricing Trends

No appreciable upward or downward trend in basic and auto dimming interior rear view mirror pricing is expected until 2013 as increased styling requirements are expected to compensate price reductions for standard interior mirror components. The prices for advanced multifunctional interior rear view mirrors are expected to increase from approximately €75/unit in 2010 to approximately €85/unit in 2013. This average price increase is expected to be coupled with the inclusion of additional features and specifications. *(Source: Frost & Sullivan Report)*

(O) Industry Structure and Competitive Assessment

Competitive Assessment - Overall Rear View Mirrors Market

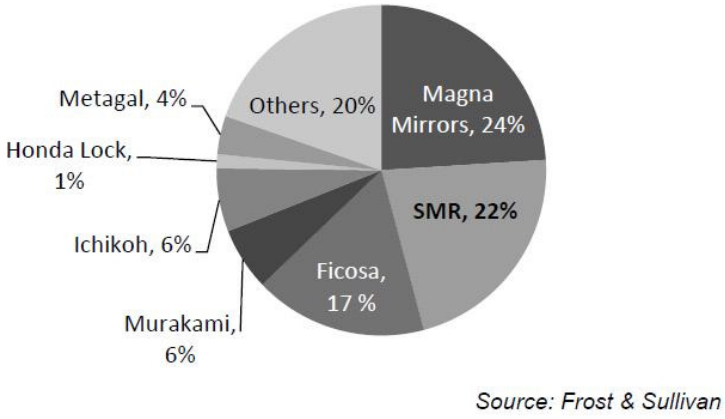
The global rear view mirror market is dominated by 6 major global participants who contribute approximately 83.0% of the global market in terms of sales volume. In addition, there are several smaller participants that cater to specific niches / segments and geographic regions.

The key participants within the overall rear view mirrors market are Magna Mirrors, SMR, Ficosa, Murakami, Ichikoh and Gentex. While Gentex is strong in the interior mirror market but not participating in the tier1 exterior mirror market, all other participants are present in both the exterior and interior rear view mirrors markets. Magna Mirrors and SMR have strongest presence in the exterior rear view mirror market while the interior rear view mirror market is dominated by Magna Mirrors, Ficosa and Gentex. The market shares of participants in both the exterior and interior rear view mirror markets are included in the following sections of this report.

Competitive Assessment - Exterior Rear View Mirrors Market

There are 3 major players active in the exterior rear view mirror market. Magna Mirrors leads the market with a share of approximately 24.0% (2009: 23.0%) closely followed by SMR at approximately 22.0% (2009: 22.0%) and Ficosa at approximately 17.0% (2009: 16.0%) in 2010. The market share of SMR for exterior rear view mirrors is approximately 25.0% (2009: 25.0 %) in 2010 when light commercial vehicle segments are excluded. *(Source: Frost & Sullivan Report)*

(P) Global Market Share of Exterior Rear View Mirrors based on Sales Volumes (2010)



Source: Frost & Sullivan Report

The regional markets of NA and EU are consolidated markets for exterior rear view mirrors. Magna Mirrors leads the North American market with an approximately 44.0% (2009: 42.0 %) volume share, followed by SMR with approximately 25.0% (2009: 23.0%). The European market (together with Russia) is led by SMR with approximately 34.0% (2009: 35.0%) volume share, closely followed by Magna Mirrors and Ficosa with market shares of approximately 32.0% (2009: 31.0%) and 30.0% (2009: 29.0%) in 2010. *(Source: Frost & Sullivan Report)*

The APAC market appears to be more fragmented, consisting of many suppliers, each holding a small portion of the market. The top four market participants in 2010 in terms of volumes are Magna Mirrors and SMR with approximately 17% (2009: 16.0% and 19.0% respectively) Murakami with approximately 11.3% (2009: 13.0%), and Ichikoh with approximately 11.0% (2009: 11.0%). The remaining industry participants cumulatively hold approximately 44.0% (2009: 41.0%) of volume share in 2010. The estimated market share of SMR in India was approximately 57.0% (2009: 53.0%) in 2010 for OE exterior rear view mirrors. *(Source: Frost & Sullivan Report)*

Competitive Assessment – Interior Rear View Mirrors Market

There are six major participants in the global interior rear view mirrors market. These are Magna Mirrors, SMR, Ficosa, Tokai Rika, Murakami and Gentex. The basic interior rear view mirror segment is dominated by Magna Mirrors, SMR, and Ficosa. Magna Mirrors is the market leader with approximately 60.0% (2009: 54.0%) market share, followed by SMR with a share of approximately 10.0% (2009: 12.0%) and Ficosa at an approximate share of 3.0% (2009: 5.0%) in 2010. The auto-dimming interior rear view mirror market is dominated by Gentex, which held approximately 82.0% (2009: 82.0%) share of the global market in 2010. Magna Mirrors with a market share of approximately 14.0% (2009: 14.0%) is the other leading player in this segment.
(Source: Frost & Sullivan *Report)*

(Q) Key Trends

According to Frost & Sullivan, some of the key trends impacting the rear view mirror market are as outlined below.

Industry Consolidation:

Most suppliers have been consolidating to remain competitive: In 2002, Magna acquired Hohe-Donnelly to form Magna Donnelly (now renamed Magna Mirrors) while in 2006, SMR (formerly Schefenacker) acquired Engelmann Automotive. A partnership between Ficosa and Ichikoh was announced in 2010 with

Ficosa taking over Ichikoh's North American operations. Ficosa also acquired US exterior rear view mirror manufacturer Camryn in 2011 in order to increase its strength in NA markets. The advantages of consolidation are cost reduction, economies of scale and the establishment of a global footprint and the sharing and acquisition of technology. This trend is expected to continue in the future.

Impact of the Japanese Earthquake:

The automotive industry currently faces minimal disruptions in vehicle production and automotive components supply following the devastating earthquake on March 11, 2011. Material supply shortages, especially metallic paint pigments imported from Japan, are faced by mirror suppliers following this unforeseen catastrophe. However, this currently affects only a small portion of the overall automotive OE rear view mirrors business and challenges such as these shortages are expected to be addressed before the end of the year.

Production bases shifting to lower-cost countries:

As the OEMs' production bases shift to the APAC region, the OE rear view mirror manufacturers are following them into these new markets. APAC's cost competitiveness is also expected to have an impact on global pricing trends. However, increased volumes of globally sourced systems for global platforms offer opportunities in terms of profitability for OE rear view mirror manufacturers.

Green imperative for rear view mirrors:

Global industry trends demand for mirrors with cost efficient design, steadily improved technical properties and high level of aesthetics. This forces suppliers to apply optimized materials such as glass reinforced plastics, high quality paint and aluminium. These materials must meet recyclability requirements. Hence, green initiatives driven by the OEMs are expected to impact the OE rear view mirrors market participants in terms of selection of accepted new / advanced materials right from the design stage. The increasing demand for fuel saving solutions increases the demand for aerodynamic optimized and light weight solutions.

Technology trends in exterior rear view mirrors:

Current premium exterior rear view mirrors have features such as built-in LED turn signals, auto adjustment, power fold, glass heating, aspheric mirrors, blind spot detection, lane departure warning, warning lamps for driver assistant systems and manoeuvring aid cameras. Some of these features are expected to be standard items in many markets. New features in premium exterior rear view mirrors will include new generation camera systems with increased driver assistant functionality, and styling driven features such as advanced projector light features.

Technology trends in interior rear view mirrors:

Demand for auto-dimming and multi-functional interior rear view mirrors will likely increase. Current multifunctional interior rear view mirrors are already fitted with some advanced features such as telematics, automatic headlamp control, high-beam headlamp control, microphone for hands-free phone, remote keyless entry receiver, tyre pressure display, day time running lights controls, rain sensors, rear camera display, map lights, digital compass, exterior temperature display, garage opener and toll collection system, among others. These features are likely to increase integration of interior rear view mirrors with electronics in the vehicle.

VI Indian Automotive Components Market

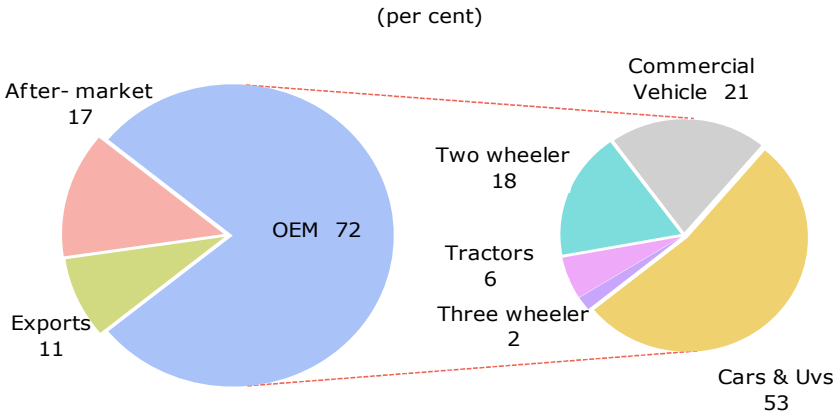
The domestic automotive components industry consists mostly of unorganised players, who are largely small and medium enterprises. However, it is the organised segment that contributes about 72% of the industry's total revenues. About 619 organised players are registered with the Auto Component Manufacturers Association ("ACMA"). The organised sector's distribution of revenues is shown below.

Number of Companies	Revenue range
231	< $ 1 - 5 mn
194	> $ 5 - 25 mn
90	> $ 25 - 50 mn
58	> $ 50 - 100 mn
46	> $ 100 mn

(Source: CRISIL Research, Automotive Components, August 2011)

Production of automotive components can be divided on the basis of usage patterns across end-user segments. The broad classification would cover automotive component demand from OEMs, exports segment and after-markets. Further, within OEM demand, there is segregation based on different vehicle segments.

CRISIL Research estimates production for OEM demand at about 72%, followed by production for after-market at 17% and production for exports at 11%. Of the OEM demand, about 53% is driven by cars and utility vehicles.



(Source: CRISIL Research, Automotive Components, August 2011)

(R) Key trends

CRISIL Research expects the automotive components industry to grow by 16-18% in 2011-12 and 13 15% in 2012-13. This growth will be driven by the domestic OEM segment, which comprises 72-73% of the total automotive components demand. Growth will also be on account of a recovery in exports to key target markets such as the US and Europe, and an increase in realisations across off-take segments.

Automotive components production in 2010-11 was propelled by OEM volume growth:

Automotive components production is estimated to have risen by 25% (year-on-year) in 2010-11 to ₹ 1,573 billion, led by an improvement in domestic automobile production. Strong year-on-year volume growth across segments like cars and utility vehicles (28%), commercial vehicles (33%), two-wheelers (27%) and tractors (24%) translated into a 32% growth in sales to OEMs. Further, average realisations of the industry are estimated to have improved by 3.0-3.5% in 2010-11 to partially offset an increase in raw material prices. Capacity utilisation for most automotive components players are also expected to have improved significantly during the year and some segments also faced capacity constraints during the year.

Automotive components industry: Size and growth estimates for 2010-11

	Proportion of total	Size	Growth 2010-2011
	(%)	*(in ₹ billion)*	*(%)*
Domestic consumption			
– OEM	69	1,131	32
– Replacement	31	507	13
Total	100	1,637	26
Domestic production			
– OEM	72	1,131	32
– Replacement	17	262	4
– Exports	11	180	17
Total	100	1,573	25

(Source: CRISIL Research, Automotive Components, August 2011)

Automotive component exports recover in 2010-11:

Automotive component export volumes are estimated to have improved by 21-23% (year-on-year) in 2010-11. However, value-wise, automotive component exports are estimated to have increased by a lower 17%. The difference has been due to unfavourable currency fluctuations negating stable realisations during the year.

The US and EU are major export destinations for Indian automotive component manufacturers, with the two regions accounting for 60-64% of India's total exports. The growth in automotive component exports is due to an 11% recovery in the cars and light trucks segment in the US in 2010, after a decline of 21% (year-on-year) in 2009. However, new vehicle registration in the EU continued to fall (by 5%) in 2010 after decreasing by 1% (year-on-year) in 2009. Withdrawal of schemes like scrappage benefits on purchase of small cars led to a fall in registration numbers in the EU region. However, rising costs have resulted in more foreign players establishing their manufacturing base in India, aiding the sourcing of components from the country.

Overall automotive components production growth to ease, exports to grow at a robust pace over the next two years:

Automotive components production is expected to grow by a lower 16-18% in 2011-12, as domestic OEM demand moderates after a strong volume growth over the last two years. During the same year, exports are likely to grow by 21-24% on revival in the automobile industries in global markets in 2012-13 and increased penetration of domestic automotive components players in key export markets over the next 2 3 years. Replacement demand in the industry is expected to grow by 7-8% in 2011-12, although the threat of cheaper Chinese imports will continue to restrict pricing flexibility in this segment.

In 2012-13, OEM demand is expected to grow by 13-15%, supported by growth in the cars and utility vehicles, and commercial vehicles segments. Exports growth is likely to remain steady at 24-26%. This along with a 5-6% growth in replacement demand is expected to translate into a 13 15% growth in domestic automotive components production.

Outlook on size and growth in automotive component industry

	Proportion of total	Size	Growth 2011-12 P	Proportion of total	Size	Growth 2012-13 P
	(%)	*(in ₹billion)*	*(%)*	*(%)*	*(in ₹billion)*	*(%)*
Domestic consumption						
– OEM	71	1,334	18	71	1,516	14
– Replacement	29	557	10	29	624	12
Total	100	1,891	15	100	2,140	13
Domestic production						
– OEM	73	1,334	18	72	1,516	14
– Replacement	15	283	8	14	299	6
– Exports	12	221	23	13	276	25
Total	100	1,838	17	100	2,091	14

P: Projected

(Source: CRISIL Research, Automotive Components, August 2011)

Long term demand to remain upbeat:

CRISIL Research expects domestic automotive component production to reach ₹ 3,100- ₹ 3,200 billion in 2015-2016, a CAGR of 14-16% from 2010-2011. This will be led by a healthy demand from OEMs, especially for cars and utility vehicles and commercial vehicles, constituting 75-76% of the total demand from OEMs. Further, an increasing focus on cost-efficiency will lead to international OEMs sourcing automotive components from low-cost countries like India. CRISIL Research also anticipates increased utilization of commercially vehicles, shortening replacement cycles and boosting demand for replacements.

Future growth rate across automotive component segments

		2010-2011				2015-2016		
	CAGR (2005-2010 – 2010-2011)	**Proportion of total**	**Size**	**Growth**	**Proportion of total**	**Size**	**Growth**	**CAGR (2010-2011 – 2015-2016)**
	(%)	*(%)*	*(in ₹ billion)*	*(%)*	*(%)*	*(in ₹ billion)*	*(%)*	*(%)*
Domestic Consumption								
– OEM	19	69	1,131	32	73	2,245	15	14-16
– Replacement	17	31	507	13	27	812	10	9-11
Total	18	100	1,637	26	100	3,058	14	12-14
Domestic Production								
– OEM	19	72	1,131	32	72	2,248	15	14-16
– Replacement	11	17	262	4	12	374	10	6-8
– Exports	10	11	180	17	17	518	24	23-25
Total	16	100	1,573	25	100	3,138	16	14-16

P: Projected

(Source: CRISIL Research, Automotive Components, August 2011)

(S) Growth Drivers

Several key drivers have attributed to growth in the Indian automotive component industry. These include:

- Rising per capita income and changing demographic distribution are conducive for growth. The trends indicate that small and medium cars are dominant, with a shift towards high end cars expected at a faster rate. Higher disposable incomes coupled with availability of easy finance options have driven the passenger vehicle segment.
- In the commercial vehicle segment, increased investment in road infrastructure and the availability of cheaper finance has led to growth in multi-axle vehicles. This is expected to be followed by a shift to tractor-trailer combinations on account of operating economics of higher power-to-weight ratio vehicles.
- Automotive component industry growth is directly linked to the growth of the automobile industry, since a significant proportion of sales is to OEMs. However, in recent years, component exports are becoming an important growth driver and it is expected to assume greater importance in the future.

(Source: Automotive Mission Plan 2006-2016)

OUR BUSINESS

Unless otherwise stated, references in this section to the "Company" are to SMFL and references to "we", "our" or "us" are to the Company, its Subsidiaries, Joint Ventures and Other Consolidated Entities. "Other Consolidated Entities" includes SMFL's Associate Company and the subsidiaries, joint ventures and associates of MSSL which are consolidated in the financial statements of SMFL. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our restated consolidated financial information. This section should be read together with the sections titled "Risk Factors" and "Industry Overview" on pages 13 and 129, respectively.

Overview

The Company was incorporated on December 9, 2004 and undertakes the provision of design and manufacturing solutions, mainly to the automotive industry, through subsidiaries and joint ventures with partners in the relevant fields. By virtue of being a holding company (in the case of subsidiaries) or a joint venture partner, the share capital of such subsidiaries and joint ventures is held by the Company. We are an integrated design and manufacturing group providing full system solutions to diverse industries. Our principal focus is the automotive industry, globally and in India, and we are expanding the expertise and skills acquired in our automotive business into other sectors where we anticipate significant future growth. Through a combination of organic growth and acquisitions, we are now a multinational business with manufacturing and design capabilities as well as customers spread across multiple geographies. Within the automotive industry, we are one of the largest manufacturers of exterior rear view vision systems in the world. *(Source: Frost & Sullivan Report)*

Our businesses and products cover multiple areas of the automotive value chain as well as several non-automotive industries, and include:

- rear view vision systems;
- wiring harnesses;
- polymer processing, including assemblies and bumpers, cockpit assemblies and door trims, and tool manufacturing;
- elastomer processing;
- modules, such as automotive lighting products and heating, ventilation and air-conditioning systems;
- metal working, including cutting tools, broaches, bimetal band-saw blades and gear cutting tools and thin film coating metals;
- cabins for off-highway construction and agricultural vehicles;
- refrigeration systems;
- manufacturing support, including air compressors, paint coating equipment and auxiliary equipment for injection molding machines; and
- IT and design engineering for the automotive and non-automotive sectors.

We supply our components to automotive original equipment manufacturers ("**OEMs**") and other customers across the world. Our automotive OEM customers use our components primarily in passenger vehicles and commercial vehicles, which are sold in India and internationally. Our manufacturing locations are generally located close to major automotive manufacturers in order to facilitate supplies to our customers, and we have 120 manufacturing facilities, including 48 manufacturing facilities outside India, with a presence in 25 countries across the world. We are in the process of establishing new manufacturing facilities in India, Brazil, Mexico, Spain and Thailand.

Our major customers include the Volkswagen group, BMW, Daimler, Renault Nissan, Ford India Private Limited, Volvo Car Corporation, Maruti Suzuki, Tata Motors, Honda Siel Cars India Limited, Toyota Kirloskar Motor Private Limited and Fiat India Automobiles Limited. The 10 largest automotive OEM manufacturers in the world are our customers. *(Source: Frost & Sullivan Report)* Our five largest customers accounted for 59.3% of our consolidated income in the nine month interim period ended December 31, 2011. On a pro forma basis, assuming that the Peguform Group had been a part of our group for the entire nine month interim period ended December 31, 2011, the Volkswagen group would have accounted for over 50.0% of our consolidated revenue and our top 5 customers would have accounted for over 70.0% of our consolidated revenue. During the nine month interim period ended

December 31, 2011, approximately 22.5% of our consolidated income was from customers located in India, while 76.6% was from our customers located outside India.[1]

We provide an end-to-end range of design and manufacturing solutions to our automotive customers, including product concept and product design, engineering, prototyping and tool manufacturing, manufacturing and sub-assembly and the production of integrated modules. In addition, we continue to leverage our experience and the capabilities gained from our extensive operations in the automotive components sector to pursue potentially high growth opportunities in various non-automotive sectors. These include the manufacture of drop-down cabins for off-highway vehicles, refrigeration systems to cater to food logistics needs across the cold storage value chain, manufacturing support activities including the production of auxiliary components such as air compressors and paint guns and the provision of IT, engineering and design services to certain non-automotive sectors. Our major non-automotive customers include Hindustan Unilever Limited, Schneider Electric India Private Limited, GE Medical Systems India Ltd, Caterpillar India Ltd and Ashok Leyland Limited. 3.7% of our consolidated income was contributed by our non-automotive products in the nine month interim period ended December 31, 2011.

We are promoted by Vivek Chaand Sehgal, Renu Sehgal and Laksh Vaaman Sehgal. We trace our origins back to 1975. We have grown through multiple collaborations with global technological leaders based on a partnership approach, including a relationship of over 25 years with Sumitomo Wiring Systems Limited. In addition, we have undertaken several strategic acquisitions in and outside India, including the acquisition of the rear view vision systems business of Visiocorp Plc ("**Visiocorp**") from administration in March 2009 by Samvardhana Motherson Reflectec Group Holdings Limited ("**SMR**"). Further, during Fiscal 2009, we acquired the broaches and gear cutting tools business undertaking of Dagger Forst Tools Limited.

Additionally, in November 2011, we, together with Motherson Sumi Systems Limited ("**MSSL**"), completed the acquisition of an 80% equity shareholding in the Peguform group of companies (the "**Peguform Group**") through certain special purpose vehicles for a total acquisition cost of US$ 192.2 million (₹ 10,059.6 million). The Peguform Group is an international supplier of interior and exterior plastic products for the automotive industry. As a part of this transaction, SMPL also acquired 50% of the equity shareholding of each of Wethje Carbon Composite GmbH and Wethje Entwicklungs GmbH, which are engaged in the carbon composites business (together, the "**Wethje Companies**"). The equity shareholding in the Wethje Companies was acquired at a total acquisition cost of Euros 6.5 million (₹ 420.3 million). For details regarding these acquisitions, see "Financial Statements – Notes to the Restated Consolidated Financial Information of Samvardhana Motherson Finance Limited" on page 317.

SMFL operates its businesses through a number of Subsidiaries, Joint Ventures and Other Consolidated Entities. Our principal businesses in the automotive sector are held through MSSL, SMR and the Peguform Group. As of December 31, 2011, the Company holds 36.1% of the equity share capital of MSSL, a company listed on the Indian stock exchanges, which is engaged in, among other things, the manufacture of wiring harnesses, polymer processing and tool manufacturing and elastomer production. SMFL, along with MSSL, holds an equity interest in SMR, which is engaged in the manufacture of exterior and interior rear view vision systems. Additionally, as described above, SMFL and MSSL hold an equity interest in the Peguform Group and the Wethje Companies, which are engaged in the interior and exterior components and the carbon composites business, respectively. SMFL's other automotive businesses include metal working and modules such as automotive lighting products and heating, ventilation and air-conditioning systems, all of which are undertaken through various Subsidiaries, Joint Ventures and Other Consolidated Entities.

SMFL's principal non-automotive businesses are conducted through various Subsidiaries and Joint Ventures, including Fritzmeier Motherson Cabin Engineering Limited, which is engaged in the manufacture of drop-down cabins for off-highway vehicles and Motherson Zanotti Refrigeration System Limited, which undertakes the manufacture of transport and stationary refrigeration systems. We also undertake the provision of IT and engineering and design services to non-automotive customers through Motherson Sumi Infotech and Designs Limited.

[1] *As there are some "unallocated" revenues, the aggregate of the contributions of customers in India and outside India is not 100%."Unallocated" revenue comprises revenue from dividend income, interest income and other non-operating miscellaneous income, which cannot be allocated to any specific geographic location.*

Following our acquisition of the rear view vision systems business of Visiocorp and an equity shareholding in the Peguform Group, our consolidated total income grew from ₹ 9,360.1 million in Fiscal 2009 to ₹ 60,245.2 million in the nine month interim period ended December 31, 2011, while our consolidated net profits after tax decreased from ₹ 686.9 million in Fiscal 2009 to a loss of ₹ 1,278.2 million in the nine month interim period ended December 31, 2011, and our standalone total income increasing from ₹ 122.8 million in Fiscal 2009 to ₹ 484.5 million in the nine month interim period ended December 31, 2011.

We have won several industry awards for our wiring harness, polymer processing, rear-view vision systems, drop-down cabins, metal working and elastomers businesses. For further details, see the section titled "Our Business – Awards" on page 167.

Our Strengths

Global customer base and strong relationships with major automotive OEMs

We have long-standing relationships with most of our customers, which include many of the major global automotive OEMs. We believe that the strength of our relationships with these customers is attributable to our consistent performance over time and the emphasis that we place on catering to our customers' needs, coupled with our access to technology.

We also believe that our reputation for quality and consistent performance is a key factor in our relationships with our customers. We carry out most of our critical manufacturing processes in-house, which allows us to monitor the quality of our manufactured products throughout the production process. Our focus on quality is also reflected in the various quality certifications that we have obtained with respect to our manufacturing processes. Further, we seek to develop relationships with our vendors so as to ensure that we are supplied with high quality input materials for our products.

We have partnered with many of our key customers at various stages of the product development process, with our involvement commencing from the product design stage, through design validation and testing and up to final manufacturing and assembly operations. Our trust-based relationships with our customers ensure that we are constantly in communication with them and enable our products to meet their exacting specifications. We believe this is a significant competitive advantage, as our customers insist on suppliers who can provide high quality and reliable components for their products.

Market leadership position in exterior rear view vision systems

We are one of the largest manufacturers of exterior rear view vision systems in the world. In 2010, we had a 22.0% share of the global exterior rear view vision systems market based on sales volumes, rising to 25.0% when light commercial vehicles are excluded, making us the second-largest global manufacturer in this segment. *(Source: Frost & Sullivan Report)* We were the leading player in the European exterior rear view vision systems market with a market share of approximately 34.0% in 2010, and enjoyed a leading position in the North America and Asia-Pacific regions with a market share of approximately 25.0% and 17.0%, respectively, in 2010. In 2010, we had 57.0% of the market for exterior rear view vision systems in India. *(Source: Frost & Sullivan Report)*

Long term partnerships and collaborations with global technology leaders, facilitating access to cutting-edge technology

We have entered into joint ventures and partnerships with several multinational companies, including Sumitomo Wiring Systems Limited, Nachi Fujikoshi Corporation, Magneti Marelli Holding S.P.A., Calsonic Kansei Corporation, Woco Franz Josef Holding GmbH and Woco Industrietechnik GmbH, Kyungshin Industrial Corporation Limited, Spheros GmbH, F Holding GmbH, Austria, Zanotti S.P.A., Bergstrom Inc., U.S.A., Sojitz Corporation, Anest Iwata Corporation, Japan, Matsui Manufacturing Company Limited, Japan and Nissin Electric Company Limited, Japan. We believe our partners are industry and technology leaders in their respective markets, and that their technological capabilities and global reach and presence provide us with significant advantages and benefits across our businesses.

We believe that we have developed strong and long-standing relationships with these joint venture partners. For example, our relationship with Sumitomo Wiring Systems Limited spans over 25 years. These joint venture arrangements enable us to access and capitalise on the technologies and expertise developed by our partners while building a reputation for innovation and technical capability. We are able to leverage the combination of our partners' technologies with our own existing know-how and manufacturing capabilities to provide high quality automotive components to our customers. Additionally, we benefit from training offered to our employees by some of our joint venture partners.

Wide range of capabilities, enabling us to provide end-to-end solutions to our customers

We believe that we have established a strong presence across various product lines of the automotive components industry, such as rear view vision systems, wiring harnesses, polymer processing and tool manufacturing, metal cutting tools and integrated module systems. In the course of our experience in the automotive sector and in particular since the acquisition of Visiocorp's rear view vision systems business and the recent acquisition of an equity shareholding in the Peguform Group, we have also expanded our offerings to provide a full range of design and manufacturing solutions to our customers, including product concept and product design, engineering, manufacturing, sub-assembly and the production of integrated modules. We provide design engineering services at our product design and research facilities located around the world, which complements the development of new products. We are committed to working closely with our customers from the early stages of design and product development to engineering and manufacturing, and we believe this allows us to anticipate and develop solutions and provide value-added services to our customers at each stage of the process.

Over the years, we believe that we have become an integral part of many of our customers' manufacturing supply chains, offering not only product manufacturing but also innovations and solutions that help our customers meet their needs. We believe our suite of capabilities enables us to expand the range of products and services that we provide to our existing customers as well as pursue opportunities in other potentially high growth sectors. Our range of capabilities and our diversified product portfolio position us as an end-to-end solutions provider to our customers, while protecting us from variable demand for one or more particular products and against the obsolescence of some of our products.

Achieving synergies through horizontal and vertical integration

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

We believe that these synergies reduce our dependence on third party suppliers for a number of products and services, enabling us to streamline our production process and achieve shorter delivery and development lead times resulting in "just-in-time" production capabilities. Further, we are able to coordinate our manufacturing activities across our Subsidiaries, Joint Ventures and Other Consolidated Entities through our integrated supply chain and inventory management, engineering and design and information technology functions. Therefore, we believe that these horizontal and vertical synergies provide us with a significant operational advantage and help us achieve economies of scale.

Global manufacturing footprint arising from our philosophy of establishing production facilities close to our customers

We have global production, engineering, project management and customer support capabilities, with a presence in 25 countries across five continents, with a total of 120 manufacturing units. Our global presence gives us access to our customers on a localised basis, with most of our manufacturing facilities located in recognised automotive

manufacturing areas and generally in close proximity to our automotive OEM customers. This proximity allows us to optimise our deliveries to our customers and facilitates greater interaction with our customers while enabling us to respond to their requirements in a timely manner. We believe this plays a role in the relationships that we have developed with our key customers over time. In addition, our global engineering team is structured to provide technical and design support for our global product development efforts. We have separate but inter-connected design and research centres located in the various regions in which we operate, to cater to the design needs of our automotive OEM customers on a regional basis. We believe that the interconnectivity of our design and research centres and the ability to share innovations and technological advancements across our network globally helps to improve our products in each of the regions in which we operate.

Experienced and well qualified management team and a strong employee base

Our operations are conducted by a well qualified management that has significant experience in all aspects of our business. Our management is led by Vivek Chaand Sehgal, who has been in the automotive components business for over 25 years. We believe that the strength and quality of our management team and its understanding of the global automotive component business enable us to identify and take advantage of strategic market opportunities. For example, we acquired Visiocorp's rear view vision systems business out of administration in 2009, and with the help of our management team, we integrated its business with ours and enabled it to generate a profit in its first year of operation subsequent to the acquisition. In addition, our management team has demonstrated its ability to effectively respond to changing local market conditions, and we believe we have the ability to adapt effectively while continuing to expand in our current markets as well as into new geographic and market segments.

Our Strategy

Our vision is to be a globally preferred solutions provider to the automotive and other industries, providing integrated full system solutions to our customers. The key elements of our growth strategy are as follows:

Evolve into an integrated, full system solutions provider to the automotive industry

We intend to expand our product range and services and increase our capability to cater to every step in the chain of supplying automotive components to our major customers, from the initial product design and validation, through tool design and manufacturing, finishing and processing, assembly, production of integrated modules and sequencing in-line supplies. We believe that our existing business lines of exterior and interior rear view vision systems, wiring harnesses, polymer processing and tool manufacturing, elastomers, design engineering, integrated modules, metal working, information technology and manufacturing support are complementary to each other. Similarly, we plan to source raw materials from various Subsidiaries, Joint Ventures and other Consolidated Entities of SMFL for the plastics components business of the Peguform Group. This depth of backward integration and the synergies achieved across our Subsidiaries, Joint Ventures and Other Consolidated Entities, coupled with our diversified product portfolio, provides us with significant quality control and cost control advantages, lesser reliance on third party sources and shorter delivery and development lead times.

Our proximity to our customers' operations and our ability to scale our operations to their requirements serve us in addressing our customers' needs. We plan to leverage our production capabilities, design expertise and information technology capabilities to enhance the vertical and technological integration of our global operations. By ensuring close cooperation across our product segments and operations, we intend to continually improve our engineering and product innovation processes and aid the conversion of new technologies into high quality, well-priced products. This will enable us to increase our supply of content per vehicle, becoming an integrated, full system solutions provider for our major customers, strengthening our relationships with them and ensuring a continued and growing demand for our products and services.

Grow inorganically and through overseas ventures to broaden our geographical footprint

We look for strategic acquisitions that will offer advantages across our businesses and provide us with access to new geographies, enhancing our technological capabilities and expanding our product range. We have grown through multiple joint ventures with global automotive component manufacturers, including Sumitomo Wiring Systems Limited, as well as acquisitions such as that of Visiocorp's rear view vision systems business through SMR and our

acquisition of an 80% equity shareholding in the Peguform Group and 50% equity shareholding in the Wethje Companies. In light of this, we believe that we have a track record of growing organically and inorganically through such strategic acquisitions. Our strategy is to seek to acquire such assets with high growth potential, along with their existing customer contracts and relationships, and improve and stabilize their business through enhanced quality and delivery parameters and engineering support, coupled with our management know-how and experience. We believe that we have been successful in acquiring and integrating such assets and overseas ventures, and we believe we will continue to be able to do so, thereby expanding our product portfolio and customer-base and broadening our geographical footprint.

Expansion into emerging markets

Our growth strategy is based on the philosophy of following our customers into the markets in which they expand. Our strong ties with our major automotive OEM customers enable us to communicate and coordinate with them and seek to establish or acquire manufacturing facilities in areas that they propose to target for growth. We intend to continue to capitalise on our global presence and diversify by expanding our current operations into economies with high growth potential such as Brazil, Mexico, India, Spain and Thailand, where automotive OEMs are expanding their production and automobile ownership is expected to continue to grow rapidly. For example, we are establishing production facilities in Brazil for polymer processing. We believe that the technological innovations and the product range that we have acquired with the Peguform Group will enable us to expand our offerings to customers in emerging markets, allowing us to strengthen our existing relationships while attracting new customers through the Peguform Group's network. It further provides us with an opportunity to enter new markets, establish new customer relationships and extend existing customer relationships by incorporating our entire product range into such relationships, while reducing our market risk by diversifying our geographic exposure.

Focus on increasing customer penetration through additional products and technological innovation

We have consistently followed a strategy of increasing our content per car. To this end, we seek to leverage our relationships with the major automotive OEMs to increase sales of our products through a combination of "top-down", "bottom-up" and "cross-product" penetration. "Top-down" penetration focuses on expanding the sales of those products that we develop for the performance and premium segments of the automotive market to the cost-driven segment of the automotive market. "Bottom-up" penetration focuses on leveraging our existing relationships with automotive manufacturers in the cost-driven segment to increase our sales to their performance and premium segment models, using low-cost, high-volume designs. Our "cross-product" penetration strategy focuses on advertising our additional product lines, including our engineering and design capabilities and our tool-manufacturing capabilities. Each of these strategies is intended to provide our customers with cost-management and efficiency advantages, building on our geographical proximity to our customers and our ability to provide them low-cost solutions.

Further, we seek to partner with our customers from the design stage in relation to each product, providing development support through our design and research centres located around the world. We further seek to enhance our technological capabilities through inorganic acquisitions as well as through partnering with global technology leaders. We intend to use these to expand into new product categories and segments, leveraging our existing knowledge base and new technologies to increase our product and customer base. We believe that the technologies and products that the Peguform Group gives us access to will enable us to offer our existing customer base additional, improved products, thereby further increasing our customer penetration and our contribution to the content per car.

Diversify and invest in businesses with high growth potential

Our experience of over 25 years in the automotive components business has enabled our management to develop an understanding of the automotive components market and related industries, while establishing internal policies and systems aimed at achieving production efficiencies. We intend to utilise our management's experience and industry knowledge to expand our businesses into ancillary industries with high growth potential, including:

- Modules for off-highway vehicles;
- Vehicle air-conditioning systems;

- Cold storage and refrigerated transport systems in the food chain logistics sector;
- Cutting tools which serve automotive and general industrial applications;
- Air compressors and high-end paint coating systems for general and certain niche industrial applications, including in the automotive sector; and
- Engineering and design capabilities.

With the development and growth of the construction and infrastructure industry, we believe that the market for technologically advanced, high-quality cabins and modules for off-highway vehicles will grow in India. Several of our Subsidiaries, Joint Ventures and Other Consolidated Entities, such as Spheros Motherson Thermal System Limited, Motherson Bergstrom HVAC Solutions Private Limited and Calsonic Kansei Motherson Auto Products Limited, which are engaged in the manufacture of heating, ventilation and air-conditioning systems for cars, buses and commercial and off-highway vehicles, and Fritzmeier Motherson Cabin Engineering Limited, which is engaged in the manufacture of high-end safety driver cabins for off-highway vehicles, are well positioned to tap into the growth potential in this sector. Additionally, we believe that India has a growing requirement for agricultural supply chain management and food chain logistics. In this context, our foray into the cold storage systems and refrigerated transport systems business through Motherson Zanotti Refrigeration System Limited and Motherson Climate System Limited has significant potential, and our links to the public distribution systems in several states provide us with an opportunity to develop this business further. Further, in the context of India's developing economy, the market for metal working solutions in India for the automotive industry as well as certain non-automotive sectors is showing significant growth potential. These industries source their metal working solutions largely from external suppliers. We are seeking to tap this market through the expansion of our metal working division, to provide a wide range of cutting tools, broaches and hobs, precision metal machining and film coating to these customers. We believe this, in addition to our power train components manufacturing capabilities, represents a potential growth segment for us.

Our Products and Services

SMFL's business is operated through a number of Subsidiaries, Joint Ventures and Other Consolidated Entities. These include MSSL, which is a company listed on the Indian stock exchanges. Historically, we have undertaken our wiring harnesses, polymer processing and elastomer processing, and to a lesser extent, our tool manufacturing and automotive modules businesses, through MSSL and its subsidiaries, joint ventures and associate companies. Our rear view vision systems business is undertaken through SMR, in which SMFL has made a joint investment with MSSL. Further, the Peguform Group will form a significant portion of our polymer processing business, pursuant to the recent acquisition of an 80% equity shareholding by SMFL and MSSL. SMFL's other automotive and non-automotive businesses are undertaken by it independently, through its other Subsidiaries, Joint Ventures and Other Consolidated Entities.

We have multiple Subsidiaries, Joint Ventures and Consolidated Entities engaged in various automotive and tool manufacturing businesses, and some of these might have overlapping capabilities. When new business opportunities arise, our Directors and management consider how the opportunity should be allocated, and to which entity or entities within the group. In doing so, our Directors and management analyse a number of factors, including the specific skill sets that are required, the geographic coverage that needs to be provided, the interests of joint venture partners if applicable, and the specifications or wishes of the customers. Based on these analyses, the opportunity is taken up within the SMFL group. We believe that our Directors and management exercise their function in this regard carefully, with due regard to the interests of shareholders and joint venture partners, and with the objective of preventing conflicts of interest or opportunity.

We develop, manufacture and sell a range of products to diverse industries, with a focus on the automotive sector. A summary of our most significant products and related business units and additional details in relation to each are set forth below.

Product Segment	List of Companies	Effective Shareholding as on December 31, 2011	Primary Competitors
Rear View Vision Systems	SMR and all its subsidiaries and joint ventures	63.12%	Magna Donnelly International Inc., an alliance between Ficosa

			International S.A. and Ichikoh Industries, and Murakami Corporation
Wiring Harness	Saks Ancillaries Limited	58.12%	Delphi Packard and Tata Yazaki Autocomp Limited
	Motherson Sumi Systems Limited	36.12%	
	Kyungshin Industrial Motherson Limited	18.06%	
	Motherson Electrical Wires Lanka Private Limited	36.12%	
	Motherson Sumi Wiring System Limited (FZE)	36.12%	
	MSSL (GB) Limited	36.12%	
	MSSL Global Wiring Limited(i)	36.12%	
	MSSL Japan Limited	36.12%	
	MSSL Mideast (FZE)	36.12%	
Polymer Processing and Tool Manufacturing	Motherson Molds and Diecasting Limited	51.00%	Polymer processing: Machino Plastics, Tata Auto Components Limited, KML and Hanil Lear JV; Tool manufacturing – competitors of our tooling operations include Sermo ARRK, Sridevi Tooling and Mutual Industries International competitors: Magna International, Faurecia, Johnson Controls Inc., Visteon Corporation and International Automotive Components
	CTM India Limited	41.00%	
	Global Environment Management Australia Pty Limited	28.47%	
	MSSL Advanced Polymers s.r.o	36.12%	
	MSSL Global RSA Module Engineering Limited	36.12%	
	MSSL GmbH	36.12%	
	MSSL Polymers GmbH	36.12%	
	MSSL Tooling Limited (FZE)	36.12%	
	Motherson Sumi Systems Limited (via its division)	36.12%	
	SMP Deutschland GmbH (formerly Peguform GmbH)	53.94%	
	Changchun Peguform Automotive Plastics Technology Co. Ltd.	26.97%	
	Peguform Iberica S.L.	53.94%	
	Peguform Module Division Iberica Cockpits s.l.	53.94%	
	Peguform de Teruel S.L.	53.94%	
	Peguform Portugal S.A.	53.94%	
	Peguform Mexico S.A. de C.V.	53.94%	
	SMP Produtos Automotivos do Brasil Ltda (formerly Peguform do Brasil Ltda.)	53.94%	
	Peguform Slovakia s.r.o	53.94%	
	Die Wethje GmbH Kunststoftechnik	33.71%	
	Vaccuform 2000 Pty	18.42%	
Elastomer Processing	Motherson Elastomers Pty Limited	28.89%	In India – Sundaram Auto Components Limited, Trelleborg Automotive India Private Limited, Bridgestone TVS India Private Limited and Andhra Polymers Private Limited; Sealing system
	Woco Motherson Advanced Rubber Technologies Limited	12.04%	
	Woco Motherson Elastomers Limited	12.04%	
	Woco Motherson Limited (FZC)	12.04%	
	Motherson Sumi Systems Limited (via its division)	36.12%	

			manufacturing operations – Toyoda Gosei Australia Pty Ltd. and Cooper Standard Automotive in Australia; Mixing operations – Toyo Tyre & Rubber Australia Limited, Elastomix Co. Ltd. and Bandag Manufacturing Pty Ltd
Metal Working	Motherson Advanced Tooling Solutions Limited	100.00%	Mitsubishi Heavy Industries India Precision Tools Limited, Addisson & Co. Limited, CMH Tools Limited, Amada (India) Private Limited, LENOX, Sandvik Asia Private Limited, Kennametal Inc. and TaeguTec India P. Ltd.
	Motherson Machinery and Automations Limited	100.00%	
	Nachi Motherson Tool Technology Limited	74.00%	
	Motherson Techno Tools Limited	14.34%	
	Motherson Techno Tools Mideast FZE	14.34%	
	Nachi Motherson Precision Limited	49.00%	
	Nissin Advanced Coating Indo Co. Limited	49.00%	
	Motherson Orca Precision Technology GmbH	34.35%	
	Motherson Sumi Systems Limited (via its division)	36.12%	
Automotive Lighting System	Magneti Marelli Motherson Auto System Limited	50.00%	Lumax Industries Limited, India Japan Lighting Private Limited and Minda Industries Limited
HVAC Systems	Motherson Bergstrom HVAC Solutions Private Limited	51.00%	Sanden Vikas (India) Limited, Denso Corporation, Subros, Daihan Calsonic and Behr
	Spheros Motherson Thermal System Limited	49.00%	Eberspacher Sutrak GmbH & Co., Thermoking Corporation and Hispacold S.A.
	Calsonic Kansei Motherson Auto Products Limited	17.70%	Sanden Vikas, Subros Limited and Visteon Automotive Systems India Private Limited
Cabins for Off-highway vehicles	Fritzmeier Motherson Cabin Engineering Limited	50.00%	Arkay Industries and JCBL Limited
Refrigeration Systems	Motherson Climate System Limited	100.00%	Blue Star Limited, Voltas Limited Carrier Corporation and Western Refrigeration & Beverage Equipment Limited
	Motherson Zanotti Refrigeration System Limited	50% + 1 share	Blue Star Limited, Ingersoll Rand (India) Limited, Carrier Corporation and Rinac India Limited

Manufacturing Support	AES (India) Engineering Limited	26.00%	Air-compressors – ELGI Equipment Limited and Ingersoll Rand (India) Limited; Paint coating equipment – ITW Finishing; Auxiliary equipment – Piovan India Private Limited, motan-colortronic Plastics Machinery (India) Private Limited and Larsen & Toubro Limited
	Air Factory Energy Limited	49.00%	
	Anest Iwata Motherson Coating Equipment Limited	49.00%	
	Anest Iwata Motherson Limited	49.00%	
	Matsui Technologies India Limited	50.00%	
IT Services	MothersonSumi Infotech and Designs Limited	53.62%	
	Samvardhana Motherson Virtual Analysis Limited	100.00%	

Rear View Vision Systems

SMR, through its subsidiaries and a joint venture, undertakes the business of developing, producing and distributing rear vision systems for the international automotive industry. Our rear view vision systems product line comprises both exterior and interior rear view vision systems, which we supply to the performance and premium segments, medium segments and the cost-driven, high-volume segments of the automotive OEM market. Exterior rear view vision systems vary in complexity, but generally consist of a plastic housing, a support structure that joins the mirror to the vehicle, a reflective mirror glass and a wire harness. They may also include other features such as light modules, side turn indicator lamps and electric motors. Interior rear view vision systems generally consist of a plastic housing, a support structure that joins the mirror to the vehicle, a reflective mirror glass and actuation mechanisms to adjust the mirror, and may include additional features such as integrated displays, lighting, microphones and auto-dimming glass.

The largest component of SMR's business is exterior rear view vision systems design, engineering and assembly, and in 2010, SMR had a market share of approximately 22.0% of total global exterior rear view vision systems sales. *(Source: Frost & Sullivan Report)* The 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 EC 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 blind spot detection systems, side turn indicator lamps and assist system signal lights. SMR's automotive OEM customers span the cost-driven segment, the medium segment, the performance and premium segment and the commercial vehicle segment.

The second largest component of SMR's business is the development, production and sale of interior rear view vision systems. SMR designs, engineers and assembles interior rear view vision systems for all segments of passenger automobiles as well as commercial vehicles. The interior rear view vision systems are fitted with several features depending on the particular vehicle program, including prismatic mirror glass, toll collection system integration, integrated displays, reading lamps, integrated lighting, microphones, garage door openers, rain sensors, air and humidity sensors, auto-dimming glass and electrical actuators with memory. The market for interior rear view vision systems is divided into two distinct segments: simple interior rear view vision systems without integrated electric features and highly complex interior rear view vision systems with single or multiple integrated electric features.

SMR is typically engaged by its automotive OEM customers to provide exterior rear view vision systems and interior rear view vision systems for a specified automobile model program. The duration of a specific customer

vehicle program is generally between three and seven years, although the volume projections specified in a particular customer contract are not typically binding on the customer. Most of SMR's customers have a standard set of terms and conditions which govern the framework of their business relationship, including intellectual property rights, termination and other general provisions. These general terms and conditions are typically agreed as a pre-condition of engaging in business with a particular customer. However, there is generally no binding legal agreement in relation to a particular program until a specific purchase order is issued by the customer. These purchase orders typically have short-term durations. While a price is agreed upon at the time the purchase order is issued, based on specified volume assumptions, these volume assumptions specified by the customer are not binding and there is no commitment to purchase any particular product volumes. SMR's customers commit to firm orders to purchase specific product volumes for periods generally ranging from one to three months in advance, and typically extend no other purchase commitments.

Manufacturing facilities and locations

SMR has manufacturing facilities in the United Kingdom, USA, Mexico, Spain, France, Hungary, China, South Korea, Australia, Brazil and India.

Production process

The production of exterior and interior rear view vision systems requires a professional and structured development process. Initially, there is a "pre-production phase" during which the product and tools are designed, processes are defined, suppliers are selected and, where necessary, employees are trained. The processes principally involved at the start of production are the manufacture and customisation of toolings and the injection molding of plastic parts, followed by painting and assembly of the rear view vision system. The tools required are engineered molds and dies used to construct parts. During the injection molding process, plastic granulate is heated and pressed into a tool to give the component the required shape. A portion of the components that SMR uses to manufacture the exterior and interior rear view vision systems are molded and constructed by SMR using a combination of the raw materials and other components that it purchases from various suppliers, while the remainder of the components used are purchased directly from suppliers. These components are painted in accordance with stringent customer specifications using three layers to ensure a high scratch resistance, at SMR's paint shops. Once painting is completed, the components, together with parts sourced from suppliers, are assembled through a combination of automated assembly processes and skilled line workers. The process chain is subjected to in-process controls, post-process checks, regular product and process audits and a 100.0% functional test after assembly and prior to shipping.

Raw materials

SMR purchases a variety of raw materials and pre-constructed components which it uses in the manufacture of its final products. These include glass actuators, powerfolds, glass, EC glass, wiring harnesses, electronics, electrical parts, die casting, plastic parts and resins. SMR has identified certain suppliers as its "preferred" suppliers, based on their experience and record of executing previous orders. All these suppliers are evaluated on a continuous basis to ensure the expected level of performance. SMR's key component suppliers include Mirror Controls International BV., Gentex Corporation, MSSL and Ineos ABS GmbH.

SMR enters into long-term supply contracts with its key suppliers for a majority of its commodity sourcing both on a global and regional basis. In addition, we have implemented a strategy of backward integration to utilise synergies across our various product segments and to increase manufacturing capacity across the organisation.

Wiring Harnesses

A wiring harness is a string of cables and wires which transmit informational signals or electric currents. These cables are bound together by clamps, cable ties, cable lacing, sleeves, electrical tape, conduit, a weave of extruded string or a combination thereof. Binding cables together into a wiring harness secures the cables better against the adverse effects of abrasion, vibrations and moisture, while optimising the use of space by constricting the cables into a single, non-flexing bundle. Installation time is also decreased by combining the multiple cables and wires into a single bundle and adding connectors for a snap-fit.

In the automotive industry, wiring harnesses form the nervous system of the vehicle. A typical car contains five to six sets of wiring harness, namely, the engine harness, roof harness, floor harness, tail harness and main harness. The wiring harnesses are custom-designed for each product and customer, and are of a "built-to-fit" nature. Certain design elements are specific to the OEM for whom the wiring harness is being manufactured. Wiring harnesses are becoming increasingly more complex pieces of automotive equipment with the emphasis of automotive OEMs being on greater miniaturisation and more complex electrical systems.

We manufacture wiring harnesses for the entire cross-section of the automotive industry – from passenger cars to commercial vehicles, motorcycles and three-wheelers, multi-utility vehicles, farm and material-handling equipment and off-highway vehicles. We also manufacture specialised wiring harnesses for consumer durables, office automation equipment, medical diagnostic equipment and other electrical and electronic equipment.

We have a relationship of over 25 years with Sumitomo Wiring Systems Limited through our technology licence agreement with them in relation to our wiring harnesses business. Our wiring harnesses business is undertaken through MSSL and its various subsidiaries and joint ventures in India and abroad and an associate company in India. MSSL is a full service supplier to its wiring harnesses customers and is vertically backward integrated in terms of critical wiring harness components, including wires, connectors, terminals and fuse boxes. MSSL also provides technological solutions to its customers ranging from designing and development to online supplies and logistics support.

Most of MSSL's customers have a standard set of terms and conditions which govern the framework of their business relationship, including intellectual property rights, termination and other general provisions. These general terms and conditions are typically agreed as a pre-condition of engaging in business with a particular customer. Customer contracts can be either rolling contracts for short durations or long term contracts, depending upon the customer. OEMs may have a single global supplier for their vehicle models or choose different suppliers in different geographies or for different parts of their vehicles. The duration of a specific vehicle program is generally between one and four years, with volume projections being specified on a quarterly basis through a purchase order, although the purchase order is not binding on the customer. Raw material price fluctuations, especially in relation to copper prices, are generally passed through to the customers.

Manufacturing facilities and locations

MSSL has wiring harness manufacturing facilities located in the United Kingdom, Sri Lanka, the UAE and India.

Production process

The production of wiring harnesses begins with the cutting, stripping and crimping of wires on an automated cutting and crimping machine. The wires are then tied together into a bundle and placed on a wire trolley. Some wires are moved to the part-fitting area for the installation of rubber caps and tubes, while some move to a manual crimping process and some to a joint area. Crimped circuits are than placed on charging trolleys, from where they are fed into sub-assembly stands. A terminal-insertion process is carried out by inserting the crimped circuits into a housing based on the applicable drawings. These sub-assemblies are then laid on the assembly board for final assembly. Rough taping or full taping is undertaken as per the applicable drawings, and all attachments such as clamps and cot tubes are placed on the wiring harness, along with a label.

The wiring harness then undergoes a circuit testing operation, where it is checked for continuity or part attachment, followed by a visual inspection. The complete wiring harness is then packed, offered for dock audit and sent to the bonded store from where it is despatched to the customer.

Raw materials

The primary raw material required in the wiring harnesses business is copper. This is sourced from a number of suppliers, with MSSL undertaking some wire manufacturing internally as well as through backward integration within its subsidiaries, joint ventures and an associate company. Copper prices are based on the prevailing London Metal Exchange prices and the cost of the copper is generally passed through to the customer in the event of any

fluctuations in global prices, although we do not have any firm arrangements with our customers in this regard.

Other raw materials required in the wiring harnesses business include wire, terminals, coverings, connectors, tape and plastic tubes. MSSL sources its raw materials from various suppliers, including our subsidiaries and joint ventures.

Polymer Processing and Tool Manufacturing

The Peguform Group, in which we have recently acquired an 80% equity shareholding, and the Wethje Companies are a part of our polymer processing and tool manufacturing division. Our polymer products division supplies plastic components and modules to the global automotive and consumer durable industries. Key technologies utilised by the polymer products division include injection molding, blow molding, compression molding, module assemblies, polymer compounding and high-precision tool making. Our polymer processing and tool manufacturing businesses are conducted through various Subsidiaries, Joint Ventures and Other Consolidated Entities.

The Peguform Group's business of interior and exterior products for automotive and related industries is complementary to our existing polymer processing business. The Peguform Group has an established international customer-base and manufacturing locations located around the world. Further, the Peguform Group gives us access to advanced production technologies such as high volume multi-injection processes, oil-based slushing and double-slush processes, foaming, thermo-laminating and highly automated assembly lines. Our strategy is to seek to expand our business with the Peguform Group's existing global customers, use its technology and product range to expand our operations with our existing customer base and expand its market share in North America and South America. We will further seek to achieve operational synergies through the horizontal and vertical integration of the Peguform Group's operations and products, by sourcing raw materials from our Subsidiaries, Joint Ventures and Other Consolidated Entities where possible.

Our range of polymer products includes plastic components and modules for vehicle interiors, such as cockpit modules, door trim modules, centre consoles, full body panels and pillar trims, as well as vehicle exteriors, such as bumper fascia, front end carriers and front end modules, which we supply across price segments in the automotive industry. We also produce water purifiers for the consumer durables industry, as well as high precision components such as connectors for electrical wiring harnesses.

The Peguform Group's major customers include the Volkswagen group (which includes brands such as Volkswagen, Audi, Porsche and SEAT), Daimler and BMW.

Manufacturing facilities and locations

Our polymer processing and tool manufacturing operations (excluding the Peguform Group) have manufacturing facilities in Germany, the Czech Republic, South Africa, the UAE and India.

The recently acquired Peguform Group and Wethje Companies have manufacturing facilities in Germany, Slovakia, Spain, Portugal, Brazil, Mexico and China.

Production process

The key manufacturing technologies that are used by the Peguform Group include:

- Injection-moulding (with gas injection, in-mould decorating, insert mouldings);
- Pressing (natural fibres);
- Slush-mouldings, foaming and EPP foams;
- Painting (matt and high-gloss, Primed and Soft Touch, 1K and 2K processes, water-based paint);
- Laminate, welding, glueing, imprinting, laser-trimming; and
- Assembly (front-end modules, cockpits, door panels).

The production of exterior and interior plastic components involves a structured development process. Initially, there is a pre-production phase, during which the product and related tools are designed, processes are defined,

suppliers are selected and, where necessary, employees are trained. The processes principally involved at the start of production are the manufacture and customisation of toolings and the injection moulding of plastic parts, followed by painting and assembly of the system if requested. The tools required are engineered moulds and dies used to manufacture parts. During the injection moulding process, plastic granulate is heated and pressed into a tool to give the component the required shape. A portion of the components used to manufacture the exterior and interior systems are moulded and designed using a combination of the raw materials and other components that are purchased from various suppliers, while the remainder of the components used are purchased directly from suppliers. These components are painted in accordance with stringent customer specifications using water based paint systems, at our paint shops. Once painting is completed, the components, together with parts sourced from suppliers, are assembled through a combination of automated assembly processes and skilled line workers. The process chain is subjected to in-process controls, post-process checks, regular product and process audits and a 100.0% functional test after assembly and prior to shipping.

Slush moulding, a form of rotational moulding, is a key process used by the Peguform Group. The slush moulding process enables thermoplastic products to be manufactured with very detailed and often complex shapes. A prime application for this process is the manufacture of vehicle instrument panel "skins" that are ultimately back-filled with a foam system, providing the finished product with the necessary rigidity. The rotational technique allows parts to be made with a single "cosmetic" side. It can also be used to make hollow parts, if necessary. A variety of materials can be processed using this technique, but most often polyvinyl chloride (PVC), thermoplastic polyurethane (TPU) and thermoplastic polyolefins (TPO) are employed, depending upon the final performance specification. The moulding material use by the Peguform Group is a PVC powder. This material is charged into the mould; then the mould is "tumbled" while, at the same time, its temperature is elevated. The process encourages the moulding material to form a skin on the mould surface, which then becomes the moulded part. Once the part is fully formed, the mould is cooled and the part can be peeled from the surface of the mould. The mould surface will mainly dictate both the texture and the appearance of the moulded skin, but both details are strongly influenced by the mould release agent that is employed.

Raw materials

The interior and exterior plastic components business requires a variety of raw materials, paints and components for the manufacture of final products. The major raw materials required in the plastic components business are polypropylenes, polycarbonates and various grades of nylons and resins. These include decorative (leather, textile and foils), chrome, fasteners, electronics, electrical parts, die-casting, plastic and metal parts. The major raw material used in the manufacture of tools and molds is alloy steel.

In the context of our polymer processing business (excluding the Peguform Group), we generally do not have long-term supply contracts, and enter into purchase orders with settlement occurring within a three-month period. In certain situations, our customers nominate the suppliers from whom particular raw materials are to be procured. We have also achieved backward integration by sourcing polypropylene compounds from a division of MSSL.

The Peguform Group has identified certain suppliers as its "preferred" suppliers on the basis of their experience and record of executing previous orders. It evaluates these suppliers on a continuous basis to ensure the expected level of performance. The Peguform Group enters into long-term supply contracts with its key suppliers for the majority of its commodity sourcing, both on a global and a regional basis.

Other Automotive Components

Our diversified portfolio of products includes other automotive components such as elastomer products including rubber injection molded parts and extruded rubber components, metal working and cutting tools, automotive lighting products and bus, commercial vehicle and car HVAC systems. These activities are undertaken through various Subsidiaries, Joint Ventures and Other Consolidated Entities.

Elastomer Processing

Our elastomer division provides a wide range of solutions to our customers, ranging from rubber compounding to injection molded rubber parts, rubber to plastic and rubber to metal bonded parts, molded liquid silicon parts and

extruded rubber components. These manufacturing activities are undertaken through various Subsidiaries, Joint Ventures and Other Consolidated Entities. The rubber molded parts produced by these entities include rubber bushes, rubber buffers, spring pads, intake manifold gaskets, damper rings, door and firewall grommets, door sealing systems, rubber seals and caps, foot pedals, exhaust hangers, radiator seals, rubber boots and bellows and extruded rubber parts such as glass runs and weather strips.

Manufacturing facilities and locations

We operate manufacturing facilities in India, Australia and the UAE as part of our elastomer operations.

Production process

The manufacture of rubber moldings takes place in two stages. First, the raw materials such as rubber polymer, carbon black and process oil are sorted through chemical batching, oil batching, polymer batching and carbon batching. These are then intermixed in a mixer to produce the master batch. The master batch is then mixed with accelerators to produce compounds, which are cut into strips used for the production of rubber parts. These strips are fed into injection molding machines to be molded in accordance with customer specifications. The parts are extracted manually with an airgun or pneumatic extractors from the molds, and are then de-flashed either manually or through a cryogenic de-flashing machine. The parts are visually checked for defects and tested for quality before packaging and despatch to customers.

Raw materials

The main raw materials required for the elastomer business are polymers, carbon black and oils, as well as other chemical additives. These raw materials are readily available and we source our requirements of these raw materials from various suppliers.

Metal working

We undertake metal working and the manufacture of various forms of cutting tools, including Cubic Boron Nitride (CNC) and Polycrystalline Diamond (PD) cutting tools and drills, high precision machined metal components and assemblies, heat-sinks and sub-assemblies, bimetal band saw blades, manufacturing and re-sharpening of broaches, manufacturing and regrinding of forming racks, high speed steel gear cutting tools and advanced thin film coating services. These manufacturing activities are undertaken through various Subsidiaries, Joint Ventures and Other Consolidated Entities. The tools produced by these entities are used for machining in the automotive industry, with a widespread range of uses in non-automotive industries as well.

Manufacturing facilities and locations

Our metal working business has manufacturing facilities located in India and Germany.

Production process

The production process in relation to cutting tools essentially involves precision grinding of the raw materials into the desired tools. For lower-end tools produced from bar-stock, including broaches and gear cutting tools, the production process consists of turning the stock, followed by heating and then precision-grinding into the desired product. Manufacturing of bimetal band saw blades involves cutting the coils in roll form to the required length and then welding, grinding and sand blasting the coils to convert them into band saw blades.

The thin film coating process involves a thin metal compound film being deposited over the surface of a tool or die to enhance its properties, including wear resistance and surface finish, in order to improve its performance.

Raw materials

Raw materials required by the metal working division include tungsten carbide and synthetic diamond, coils in roll form, high speed steel, bar stock aluminium and brass, cathodes of various grades, gases such as nitrogen, hydrogen

and oxygen and other ferrous and non-ferrous materials. These raw materials are readily available and we source our requirements of these raw materials from various suppliers.

Automotive lighting systems

Magneti Marelli Motherson Auto System Limited ("**MMM**"), a wholly-owned subsidiary of a joint venture between SMFL and Magneti Marelli Holding S.p.A, undertakes the business of developing, manufacturing, assembling and marketing automotive lighting products (head lamps and tail lamps), air-intake manifolds, fuel rail assemblies and pedal brake accelerator modules.

Manufacturing facilities and locations

MMM undertakes the manufacture of automotive lighting products at facilities located in India.

Production process

Production commences with an injection molding process involving a single (mold) stage with multiple cavity molds or more than one injection molding stage depending upon the design of the product. In this stage the raw material, generally glass filled nylon, is molded into the intended design. Multiple molded parts are then joined together by a vibration welding process. Brass inserts are then inserted into the welded component, followed by steel bushes to mount the manifold on the cylinder head of an engine. This is followed by the assembly of the gasket and other additional parts such as sensors or adaptors, based on the customer's requirements and the design of the manifold. Every intake manifold then undergoes a leak testing process.

Raw materials

The major raw materials for lighting products are polycarbonate or acrylic alloys, while the main raw material for intake manifolds is glass filled nylon. These raw materials are readily available and we source our requirements of these raw materials from various suppliers.

HVAC systems

Spheros Motherson Thermal System Limited, a joint venture between SMFL and Spheros GmbH, Germany, undertakes the manufacture of bus heating, ventilation and air-conditioning systems ("**HVAC systems**"). Motherson Bergstrom HVAC Solutions Private Limited, which is a joint venture between SMFL and Bergstrom, Inc., USA, manufactures HVAC systems for commercial and off-highway vehicles, including agricultural and construction vehicles, trucks, heavy-duty vehicles, speciality vehicles and defense vehicles. In addition, Calsonic Kansei Motherson Auto Products Limited ("**CKM**"), a joint venture of MSSL, undertakes the production of HVAC systems for cars.

Manufacturing facilities and locations

Each of Spheros Motherson Thermal System Limited and Motherson Bergstrom HVAC Solutions Private Limited operates a manufacturing facility in India for its products. CKM operates manufacturing facilities in India for its car HVAC systems.

Production process

Spheros Motherson Thermal System Limited undertakes the manufacture of HVAC systems for bus passenger vehicles. This involves the assembly of the roof top units which consists mainly of heat exchangers, blowers, sheet metal parts, electrical harness and printed circuit boards. The unit is then tested through leakage and run tests. Spheros Motherson Thermal System Limited also prepares installation kits in accordance with the specific vehicle requirements, followed by packaging of the unit and despatch to the customer. These HVAC systems are installed at customer sites in India either by the company's team or through dealers depending on the volumes involved.

Motherson Bergstrom HVAC Solutions Private Limited undertakes the sub-assembly of evaporator modules, blower modules, fresh air/recirculation modules, pre-filtration modules and control panels. It then performs the assembly of the combination air-conditioning and heating unit and conducts end-line testing of the product, followed by packaging of the unit and despatch to the customer.

For the production of car HVAC systems, CKM initially undertakes evaporator core leak testing, followed by blower wheel assembly and balancing of the blower. The main HVAC system is then assembled with the insertion of the evaporator core, motor assembly, heater core and doors into the heater case. The HVAC system then undergoes functional testing in the main testing jig, followed by placement in the prescribed bin for despatch to the customer.

Raw materials

The main raw materials used by Spheros Motherson Thermal System Limited are heat exchanges such as condensers and evaporators, condenser fans and blower motors, wiring harnesses, expansion valves, PCBs, control valves, compressors, alternators and clutches.

Motherson Bergstrom HVAC Solutions Private Limited's main raw materials include heat exchangers, blower motors, plastic casings and wiring harnesses, electrical control switches, water valves and actuator motors, compressors, expansion valves, hoses and pipes and filters.

CKM's main raw materials consist of plastic, aluminium, transistors and capacitors and PCBs.

Non-automotive Products

As part of our strategy to diversify our business and customer base, we are engaged in the manufacture of various non-automotive products and the provision of ancillary support services. These include:

- Cabins for off-highway vehicles;
- Refrigeration systems;
- Manufacturing support – including air compressors, paint coating equipment and auxiliary equipment for injection molding machines; and
- IT & design engineering.

Cabins for off-highway vehicles

Fritzmeier Motherson Cabin Engineering Limited ("**FMCEL**"), a joint venture between SMFL and F Holding GmbH, Austria, is engaged in the design and manufacture of high-end safety driver cabins for off-highway vehicles such as dump trucks, excavators, back-hoes, wheel loaders, agricultural tractors, forklifts and tower cranes. FMCEL commenced operations in 2009 and is a premier manufacturer of fully-trimmed, drop-down cabins. Through its relationship with the Fritzmeier group, FMCEL is a part of a global alliance for design, business development, manufacturing processes and related services.

A long lead-time is involved in the production of safety cabins and it also generally requires a high degree of interaction with customers in relation to design and specifications. FMCEL focuses on high-end cabins, which it believes offer significant potential for growth in the Indian market.

Manufacturing facilities and locations

FMCEL currently operates one manufacturing facility in India. It undertakes the manufacture of fully-trimmed, drop-down cabins at this location, along with some fabrication activities ancillary to the production of the safety cabins. In addition, FMCEL operates a CED paint-shop at its facility that caters to in-house requirements, and utilises its existing spare capacity for non-cabin customers.

Raw materials

The basic raw material required by FMCEL is steel of various grades. While regular grades of steel are purchased on the spot market, higher quality safety-steel requires a long lead-time for purchase contracts and is subject to customer approval. Customers generally recommend acceptable suppliers for such safety-steel grades, and FMCEL procures the desired quantities on the basis of these customer inputs as well as recommendations from the Fritzmeier group.

Refrigeration systems

We undertake the manufacture and supply of refrigeration systems for both stationary and transport applications with a temperature range of -40 degrees Celsius to +18 degrees Celsius. The transport systems include battery powered split units, direct drive units and diesel trailers. The stationary refrigeration systems include cold rooms and cold storages and turnkey agricultural projects.

Motherson Zanotti Refrigeration System Limited ("**MOZAR**"), a Subsidiary of SMFL, undertakes the manufacture and supply of transport and stationary refrigeration systems. Its products include grain drying and storage mechanisms, ripening chambers, multi-temperature decks, high humidity cold storages for fruits and vegetables and controlled atmosphere storage solutions for various applications.

Motherson Climate System Limited, a wholly-owned subsidiary of SMFL, conducts import and trading activities in respect of retail refrigeration systems. Its main products include chest freezers, visi coolers, visi freezers, wine coolers, dispensers and retail display cabinets.

Manufacturing facilities and locations

MOZAR currently operates a manufacturing facility in India as part of our refrigeration systems business.

Motherson Climate System Limited has a pan-India sales and service network. It operates main warehouses for the storage of imported products and secondary warehouses for the onward distribution of products.

Production process

MOZAR undertakes the manufacture of transport and stationary refrigeration units. The current range of units includes indoor and outdoor units for medium temperature applications (0 deg C to +3 deg C) and low temperature applications (-22 deg C to -30 deg C).

The production process involves the assembly of the units, testing and addition of an installation kit, followed by packaging of the unit and despatch to the customer. The refrigeration units and PUF panels are subsequently installed at the customer site.

Raw materials

The major raw materials used in the production of cold storage units are heat exchanges such as condensers and evaporators, condenser fans and motors, compressors and expansion valves. These raw materials are readily available and we source our requirements of these raw materials from various suppliers.

Manufacturing support

We are engaged in the manufacture of several products that fulfil auxiliary functions in the automotive industry. These include products such as air compressors, paint coating equipment, spray guns, paint pumps and accessories and auxiliary equipment for injection molding machines. We also provide services such as consultation and project management to the automotive industry.

Manufacturing facilities and locations

Our manufacturing support business has manufacturing facilities located in India, where we undertake the manufacture of bare air compressors and air receivers and the assembly of spray guns, mold temperature controllers, dryers, jet loaders and material tanks.

We also have a product design and research centre at Noida, from where we manage turnkey projects for automotive OEMs across India.

IT Services

MothersonSumi Infotech & Designs Limited ("**MIND**") undertakes the provision of various information technology and engineering and design services. The information technology services ("**IT Services**") include enterprise applications, software development, IT infrastructure and business process outsourcing services for the automotive industry, including from a supply chain management perspective. In addition, MIND provides end-to-end engineering and design services in relation to product and tooling design, chip design and prototype design. MIND has entered into advanced partnerships with leading technology companies such as Microsoft, Oracle, Infosim, HP, and Dell. In addition to its experience with the automotive industry, MIND has developed domain expertise in the health care, education and travel industries.

Facilities and locations

MIND currently has its main software development and IT Services facility located at Noida. This facility also houses MIND's accredited data centre, which performs local and global hosting of applications as well as remote infrastructure management services. MIND operates a 24x7 helpdesk at this location, which supports its customers' global network and applications. MIND also provides some IT Services to various Tier 1 automotive suppliers located in South India.

Property

SMFL does not own any real property, and leases its registered office which is located at 2nd Floor, F-7, Block B-1, Mohan Cooperative, Industrial Estate Mathura Road, Delhi 110 044, India. Motherson Auto Limited, a Group Company, owns some property and land at which certain of SMFL's Subsidiaries and Joint Ventures are located. These entities have entered into lease arrangements with Motherson Auto Limited.

Sales and Marketing

Rear view vision systems

SMR has an international sales and marketing team located in the USA, the United Kingdom, France, Germany, India, South Korea, China and Australia. The sales and marketing team and the engineering team are the primary contacts for SMR's customers and are involved throughout the lifecycle of the product. The sales and marketing team focuses on developing customer relationships, acquiring new contracts for development and manufacturing, identifying new customers and generating incremental business opportunities. It is also responsible for identifying and responding to new bids and requests for proposals. The marketing of SMR's products is done primarily through interaction with the purchasing, engineering and product planning departments of automotive OEM customers, as well as through discrete marketing activities involving senior management representatives, especially in relation the marketing of new product innovations, technology presentations and global supply solutions.

Polymer processing and plastic components

The Peguform Group's sales organisation is headquartered at Boetzingen, Germany. It is divided into five accounts, on the basis of key customers.

Other businesses

For our other automotive businesses, we have a centralised sales and marketing team that is divided into two groups, looking after the Indian and overseas businesses, respectively. This team is the primary contact for our automotive OEM customers. Depending on a specific OEM's buying organisation, we nominate a single account manager or

multiple account managers for the OEM. New customers on a global level are reviewed by the centralised team prior to acceptance of an order. The sales and marketing team focuses on developing customer relationships, acquiring new contracts for development and manufacturing, identifying new customers and generating incremental business opportunities.

Research and development

Rear View Vision Systems

Research and development is an essential element of SMR's business, and is focused on the research and development of new technology and styling options for exterior and interior rear view vision systems. SMR typically recovers its design fees through the pricing of its products. If it develops features in conjunction with an automotive OEM, the intellectual property rights in the design of the product vests with SMR and it would normally grant the customer a perpetual license to use the intellectual property free of any royalty. SMR does not have a consolidated research and development division for all its facilities or products.

In addition to its more traditional research and development functions, SMR's applied engineering group works to develop more cost-efficient products and also works closely with the engineering teams of its automotive OEM customers to support product integration and to improve production processes. This group focuses on standardizing SMR's engineering activities and realising synergies among the regional engineering teams who then match technology and products to specific applications and projects. The regional engineering teams are responsible for tool engineering, model and prototype shops and SMR's full service, on-site test laboratories.

SMR has product design and research centres at various locations including Australia, France, Germany, Hungary, India, Japan, Mexico, South Korea, United Kingdom and United States.

Polymer processing and plastic components

The Peguform Group operates eight engineering centres around the world, with four offices in Germany and one each in China, Spain, Mexico and Brazil. Research and development is an essential element of the Peguform Group's business, and it is concentrated in Germany to enable cooperation with its key automotive customers.

The Peguform Group's research and development team focuses on certain key areas, including lightweight construction, renewable raw materials, occupant protection, interior modules, front-end modules and pedestrian protection. The engineering team works with OEMs to develop more cost-efficient and lightweight products, along with adding new functionalities and innovating in relation to the Peguform Group's existing product range. This cooperation with the OEMs' engineering teams supports product integration with our customers.

Wiring Harnesses

We manufacture wiring harnesses through MSSL, in collaboration with Sumitomo Wiring Systems Limited and Kyungshin Industrial Corporation Limited. Our relationships with these joint venture partners provide us access to their technology and research and development activities and our engineers receive training from them from time to time. MSSL is TS 16949 certified and has a reputation in the Indian and European automotive industry for its designing and quality orientation.

Human Resources

SMFL is a holding company, and as such has only a few employees to manage its business. SMFL's Subsidiaries, Joint Ventures and Other Consolidated Entities undertake their operations through their respective employees. The total number of employees of SMFL on a standalone basis as of February 29, 2012 was 13 and the total number of employees employed by SMFL, its Subsidiaries, Joint Ventures and Other Consolidated Entities (including the Peguform Group) as of February 29, 2012 was 53,075.

Motherson Auto Limited provides certain corporate services to SMFL and its Subsidiaries, Joint Ventures and Other Consolidated Entities. These services are in the nature of corporate functions related to the appraisal and due

diligence of new business, services related to corporate direct tax and internal audit functions, providing financing to group companies, services related to managing company affairs and company law matters, consultancy related to the purchase and maintenance of plant and machinery, consultancy in the area of government and regulatory liaison, provision of the services of external experts and consultants in legal matters, customs and excise, industrial relations and labour law legislations and in matters related to indirect tax and sales tax. For details, see the section titled "History and Certain Corporate Matters" on page 175.

Intellectual property

As on February 29, 2012, one of SMR's subsidiaries held 587 patents in relation to our rear view vision systems business. These include patents in relation to turn signals in exterior mirrors, interior mirrors with multiple functions, LIN-bus systems in exterior mirrors, camera-based blind spot detection systems, light guide style turn signals, side looked LED turn signals, combined power telescopic and power folding systems, plastic glass, scalp mirrors and bayonets.

As of February 29, 2012, SMP Deutschland GmbH (formerly Peguform GmbH) held 274 patents and had filed applications for the registration of 74 more patents. It also held 27 registered utility models and has applied for two more. For example, it holds patents for interior products such as airbag technologies and for exterior products for pedestrian protection. It also holds patents for various processes, such as slush-moulding, foaming and painting, and for assembly technologies.

In addition, we hold several patents registered in the name of one of MSSL's subsidiaries, Global Environment Management FZC in relation to Aerobin, a home and garden waste management product. These include patents in relation to a soil manipulating device and composting method and apparatus.

Health, Safety and Environment

Our human resource management division has overall responsibility for employee health and safety. Educating employees about safety programs, increasing awareness about our health and safety policies and conducting formal safety training form part of our employee health and safety program. Typically, each manufacturing unit is ISO 14001 certified. We focus on implementing policies and procedures to reduce the risk of accidents at our facilities, including the following:

- ensuring that plant employee safety manuals covering employee safety and environmental procedures are in place and implemented;
- conducting safety weeks and providing training programs on employee safety and environmental procedures to all employees;
- implementing regular employee safety checks and management review meetings;
- implementing corrective and preventative measures for all incidents and accidents; and
- conducting periodic emergency mock drills at our facilities.

Environmental requirements imposed by various governments will continue to have an effect on us and our operations. We believe that we have complied, and will continue to comply, with all applicable environmental laws, rules and regulations. We have obtained, or are in the process of renewing, all material environmental consents and licences required for the purpose of carrying on our businesses from the relevant governmental agencies. Our activities are subject to the environmental laws and regulations of the jurisdictions in which we operate, including in relation to air emissions, waste discharges, the handling, storage and disposal of hazardous substances and the remediation of contaminated sites.

We have re-affirmed our commitment to improving the environment through one of MSSL's subsidiaries, Global Environment Management, which develops environment-friendly products, including Aerobin, which is a home and garden waste management product that enables households to effectively recycle organic waste at home. We also conduct conservation drives across various entities, aimed at increasing green cover, reducing paper wastage and developing best practices for pollution control.

Information technology

MIND provides IT services to SMFL and each of its Subsidiaries, Joint Ventures and Other Consolidated Entities (other than the Peguform Group). All core IT infrastructure such as ERP and supply chain management applications, e-mail, communication and hosting are standardised, facilitating collaboration and information sharing across all entities. MIND's consulting team works with individual companies to identify key processes and automation requirements to ensure their efficient and compliant operations. Further, MIND undertakes regular technology reviews of all these Subsidiaries, Joint Ventures and Other Consolidated Entities to ensure disaster recovery mechanisms and business continuity. MIND also undertakes machine integrations for enhanced shop floor automation in order to optimise production processes and resource planning, and RFID-based solutions are implemented in order to track shipments and enhance warehouse management. In addition, MIND provides back office services to certain group companies.

The Peguform Group's main IT applications are the SAP system and logistics modules. In 2006, SMP Deutschland GmbH (formerly Peguform GmbH) entered into a contract with gedas deutschland GmbH, an outsourcing service provider, in respect of its German operations. IT services for the Peguform Group's Spanish and Latin-America organisation are still provided in-house.

Insurance policies

Our operations are subject to various risks inherent to the automotive industry as well as fire, theft, earthquake, flood, acts of terrorism and other force majeure events. We maintain insurance cover for our various facilities and operations as required under applicable laws. In addition, we maintain product liability insurance in relation to certain of our Subsidiaries, Joint Ventures and Other Consolidated Entities, including where it is specifically required under our customer contracts. MSSL also maintains a key man insurance policy in relation to Vivek Chaand Sehgal.

Awards

Details of the major awards we have received are set forth in the table below.

	Category	Company	Product	Year
Mahindra & Mahindra	President Award	FMCEL	Cabins for Off Highway Vehicles	2011
Maruti Suzuki	Overall Excellence Gold Award	MSSL	Wiring Harness	2011
	Incoming Quality Improvement			2011
	Timely Capacity enhancement			2010-11
Maruti Suzuki	Superior Performance in Kaizen	Sumi Motherson Innovative Engineering Limited	Polymer	2011
Renault Nissan	Certificate of Appreciation for Dedicated Support	MSSL	Wiring Harness	2010
Hyundai	Overall Best Performance	Kyungshin Industrial Motherson Limited	Wiring Harness	2011
GE Healthcare	Fulfilment Award	Sumi Motherson Innovative Engineering Limited	Polymer	2011
Tata Motors	Award for Excellence in Quality	MSSL	Wiring Harness	2010
Schneider Electric	OCP Support Excellence Award	Sumi Motherson Innovative Engineering Limited	Polymer	2010
Caterpillar	Supplier Quality Excellence Process	FMCEL	Cabins for Off Highway Vehicles	2011
Kandla Special Economic Zone	Top Exporter	WMART	Elastomer - Rubber Moulded Parts	2011
JLR	JLRQ Quality Award	SMR UK	Mirror	2011
Yamaha India	Silver Award in the category of Quality	MSSL	Wiring Harness	2011
Ashok Leyland	Award of Appreciation (for Best in	MSSL	Wiring Harness	2010 -

	Category	Company	Product	Year
	class performance in Development)			2011
M&M (Auto & Farm Equipment Sector)	Best SCM Performance Award - Auto Division	MSSL	Wiring Harness	2011
Honda Motorcycle & Scooter India Pvt Ltd	Overall Excellence Award	MTTL	Metal – Cutting Tools	2012
M&M (Auto & Farm Equipment Sector)	Outstanding Performance in 2010	MSSL	Wiring Harness	2010
Honda	Gold Award (Delivery-Kaizen)	MATE	Polymer	2011
Continental Automotive China	Quality performance	MSSL TOOLING FZE	Polymer	2011

MSSL was also ranked as the top auto ancillary company in India by revenues in Fortune India magazine's special issue dated December 2012.

Corporate social responsibility

Certain of our Subsidiaries, Joint Ventures and Other Consolidated Entities undertakes corporate social responsibility programs, including aiding underprivileged children and promoting the education of girl children. They are associated with several non-governmental organisations and institutions dedicated to primary education and development of underprivileged girl children. They also provide support to organisations that care for children without adequate parental care and those in difficult circumstances, and to a non-governmental organisation that is run for the benefit of special children. They provide need-based scholarships to underprivileged children and support orphanages and old-age homes.

REGULATIONS AND POLICIES

Our Company is in the business of investing in group companies which are engaged in the manufacture and sale of interior and exterior rear view mirrors, integrated wiring harnesses, plastic blow molded and injection molded components, wires and other components primarily for automobile and white goods industry. Our business activities require, at various stages, the sanction of the concerned authorities under the relevant legislations and bye-laws. The following is an overview of the important laws and regulations in India which are relevant to our business. The regulations set out below are not exhaustive, and are only intended to provide general information to Bidders and is neither designed nor intended to be a substitute for professional legal advice.

Taxation statutes such as the Income Tax Act, 1961, Central Excise Act, 1944, Central Sales Tax Act, 1956 and applicable local sales tax statutes apply to us as they do to any other Indian company. 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. For details of government approvals obtained by us, see the section titled "Government and Other Approvals" on page 503.

RBI directions regulating Core Investment Companies

The RBI has issued the Core Investment Companies (Reserve Bank) Directions, 2011 ("**CIC Directions**") for the regulation of core investment companies. The CIC Directions set out the following conditions to be complied with by a company as on the date of the last audited balance sheet for it to be classified as a core investment company:

(i) it holds not less than 90% of its net assets in the form of investment in equity shares, preference shares, bonds, debentures, debt or loans in group companies;

(ii) its investments in the equity shares (including instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue) in group companies constitutes not less than 60% of its net assets;

(iii) it does not trade in its investments in shares, bonds, debentures, debt or loans in group companies except through block sale for the purpose of dilution or disinvestment; and

(iv) it does not carry on any other financial activity referred to in Section 45 I(c) and 45 I(f) of the RBI Act, 1934, except (a) investment in bank deposits, money market instruments including money market mutual funds, government securities, bonds or debentures issued by the group companies, (b) granting of loans to group companies or guarantees issued on behalf of group companies.

Additionally, CICs with an asset size of ₹ 1,000 million or more either individually or in aggregate along with other CICs in the group and which raise or hold public funds will be considered as systemically important core investment companies ("**CICs-ND-SI**") and would be required to apply for a certificate of registration from RBI under Section 45-IA of the Reserve Bank of India Act, 1934 within six months of January 5, 2011.

The Directions, among other things, set out capital and leverage requirements to be fulfilled by every CIC-ND-SI, which are as follows:

(i) Adjusted net worth of a CIC-ND-SI should not, at any point of time, be less than 30% of the aggregate risk weighted assets on the balance sheet items and risk adjusted value of off-balance sheet items as on the date of the last audited balance sheet as at end of the financial year; and

(ii) The outside liabilities of a CIC-ND-SI should not, at any point of time, exceed 2.5 times its adjusted net worth as on date of the last audited balance sheet as at end of the financial year.

Every CIC-ND-SI is required to submit an annual certificate from its statutory auditors regarding compliance with the requirements of the Directions within one month of the finalisation of the balance sheet.

The conditions that are required to be fulfilled by our Company to be a CIC-ND-SI are as described above. We believe that our Company fulfils these conditions in the manner described below:

- Our Company holds 99.75% of its net assets in the form of investment in equity shares, preference shares, bonds, debentures, debt or loans in group companies.

- Our Company's investments in the equity shares in group companies constitutes not less than 60% of its net assets.

- Our Company does not trade in its investments in shares, bonds, debentures, debt or loans in group companies.

- Our Company does not carry on any other financial activity referred to in Section 45 I(c) and 45 I(f) of the RBI Act, 1934, except (a) investment in bank deposits, money market instruments including money market mutual funds, government securities, bonds or debentures issued by the group companies, (b) granting of loans to group companies or guarantees issued on behalf of group companies.

- Our Company has an asset size of ₹ 12,009.36 million.

- Our Company holds public funds in the form of loan from NBFCs.

Accordingly, our Company has made applications dated May 6, 2011 to the RBI (which was received and acknowledged by RBI on May 9, 2011) and December 1, 2011 (which was received and acknowledged by RBI on December 19, 2011) for certificate of registration as a CIC-ND-SI.

Laws regulating foreign investment in India

Foreign Direct Investment

Foreign direct investment ("**FDI**") in India is governed by laws including the FEMA read with the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (the "**FEMA Regulations**") and amendments thereto, and the other regulations made by the Reserve Bank of India under the FEMA. Additionally, the Circular 1 of 2012 issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("**Consolidated FDI Circular**") issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("**DIPP**") contains the consolidated policy for foreign direct investment in India.

Under the Consolidated FDI Circular, FDI is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the government route, depending upon the sector in which it is sought to be made. Under the automatic route, no prior government approval is required for the issue of securities by Indian companies/acquisition of securities of Indian companies, subject to the sectoral caps and other prescribed conditions. Under the government route, prior approval from the Government of India through the FIPB is required. FDI for the items/activities that cannot be brought in under the automatic route may be brought in through the approval route. Approvals are accorded on the recommendation of the FIPB, which is chaired by the Secretary, DIPP, with the Union Finance Secretary, Commerce Secretary and other key Secretaries of the Government of India as its members.

As per the Consolidated FDI Circular, total foreign investment in an Indian company is to be calculated by adding the direct foreign investment (i.e. non-resident investment in an Indian company) and indirect foreign investment (i.e. investment in an Indian company by an entity which has foreign investment in it).

In cases of direct foreign investment, the entire investment by the non-resident is counted towards foreign investment. In cases of indirect foreign investment, if the investing company is owned and controlled by resident Indian citizens, then the same would not be counted towards foreign investment. If the investing company is owned *or* controlled by non-residents, the entire investment by the investing company would be considered as foreign

investment. However, the indirect foreign investment in a wholly owned subsidiary of the investing company is limited to the foreign investment in the investing company itself.

Portfolio Investment Scheme

Under the FEMA Regulations read with the Foreign Investment Master Circular, a registered Foreign Institutional Investor may purchase shares and convertible debentures of an Indian company under the Portfolio Investment Scheme subject to the satisfaction of certain specified conditions. As per these conditions, an FII may purchase shares of an Indian company through a public offer provided that the price of the shares to be issued to the FII is not less than the price at which the shares are issued to residents. The total holding by each FII or Sub-Account cannot exceed 10% of the total paid up equity capital of the Indian company. Further, the total holdings of all FIIs and Sub-Accounts together cannot exceed 24% of the total paid up equity capital of the Indian company. FIIs and Sub-Accounts can open a non-interest bearing Foreign Currency Account and/or a single non-interest bearing Special Non-Resident Rupee Account ("**SNRR Account**") with a designated branch of an authorised dealer for the purposes of investment under the Portfolio Investment Scheme. The designated branch of the authorised dealer may allow remittance of net sale proceeds (after payment of taxes), or credit the net amount to the Foreign Currency Account or the SNRR Account, as the case may be.

Laws regulating overseas investments by Indian Companies

Direct investment by Indian companies in joint ventures and wholly owned subsidiaries abroad is governed by laws including the FEMA read with the Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2004 and amendments thereto, and the other regulations made by the Reserve Bank of India under the FEMA. These are consolidated in the Master Circular no. 11/2011-12 dated July 1, 2011on Direct Investment by Residents in Joint Venture (JV)/Wholly Owned Subsidiary (WOS) Abroad issued by the RBI ("**Overseas Investment Circular**").

Under the Overseas Investment Circular, overseas investment by Indian parties is permitted either through the automatic route or the government route, depending upon the financial commitment, source of funding, and the sector of operation, among other factors. The Overseas Investment Circular states that investment in a joint venture or wholly owned subsidiary made by an Indian party is limited to 400 per cent of its net worth, if done under the automatic route. Further, the funding for the investment may be arranged only from the sources specified, including by drawing foreign exchange from an authorized designated bank in India, through capitalization of exports, amongst others. In case the investment is being made in an entity engaged in the financial sector, certain additional requirements, such as registration with the regulatory authority in India for conducting the financial sector activities, requirement of having earned a net profit during the preceding three financial years, amongst others need to be fulfilled.

Investments in all cases not satisfying the eligibility requirements of the automatic route have to be made with prior approval of the RBI. The following factors would be considered by the RBI while considering the applications for approval:

a. Prima facie viability of the JV/WOS outside India;
b. Contribution to external trade and other benefits which will accrue to India through such investment;
c. Financial position and business track record of the Indian party and the foreign entity; and
d. Expertise and experience of the Indian party in the same or related line of activity as of the JV/WOS outside India.

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 National Auto Policy, 2002

The National Auto Policy, 2002 ("**National Auto Policy**") was introduced by the Department of Heavy Industry, Ministry of Heavy Industries and Public Enterprises, GoI in March 2002, with the aim, amongst others, to promote a globally competitive automotive industry and emerge as a global source for auto components, ensure a balanced transition to open trade at a minimal risk to the Indian economy and local industry, to encourage modernization of the industry and facilitate indigenous design, research and development and to develop domestic safety and environmental standards at par with international standards.

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 support 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 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 provsions 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.

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, both the principal employer and the contractor are to be registered with the appropriate authority. 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.

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.

The Patents Act, 1970

The Patents Act, 1970 provides for the grant of a patent, a legally enforceable monopoly of twenty years over the manufacture, sale, and import, amongst other uses of an invention, as an incentive for innovation. Patents are granted to inventions which are new, have an inventive-step and are industrially applicable. The patent holder may voluntarily license his invention in consideration of a negotiated royalty. In certain cases, the government can, after providing adequate compensation to the patent holder, issue compulsory licenses to third parties for using the patented invention. Infringement of a patent gives the holder the right to an injunction and to claim damages or accounts of profit.

The Trade Marks Act, 1999

The Trade Marks Act, 1999 provides for the registration of trade marks, which have a distinctive character. Registration gives the proprietor the exclusive right to the use of the trade mark in relation to the goods or service in respect of which it is registered. The registration is for a period of ten years, but may be renewed from time to time. The proprietor of the trade mark may assign the same to any third party. Infringement of a trade mark gives the holder the right to an injunction and to claim damages or accounts of profit.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated under the Companies Act on December 9, 2004 as Samvardhana Motherson Finance Limited and was granted a certificate of commencement of business on December 23, 2004. The registration number of our Company is 55-131118 and our corporate registration number is U74900DL2004PLC131118.

Change in our Registered Office

Our registered office is located at 2nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi 110044. Our registered office was changed from 43, Community Centre, Bhageria House, New Friends Colony, New Delhi 110025 to our present Registered Office by a resolution of our Board of Directors passed on January 2, 2009. The reason for this change in our registered office was administrative convenience.

Major events

The following table illustrates the major events in the history of our Company.

Calendar year	Key events, milestones and achievements
2004	Our Company was incorporated as 'Samvardhana Motherson Finance Limited'.
2006	Our Company entered into a joint venture with Spheros GmbH (Germany), Anest Iwata Corporation (Japan), Matsui Manufacturing Company Limited (Japan).
	Our Company entered into a joint venture with F Holding GmbH (Germany).
2007	Motherson Consultancy Private Limited was merged into our Company.
	MSSL entered into a joint venture with Calsonic Kansei Corporation
	Our Company entered into a joint venture with Nissin Electric Company Limited (Japan), Zanotti S.p.A (Italy).
2008	Our Company entered into a joint venture with Magneti Marelli Holding S.p.A (Italy).
2009	Our Company acquired Visiocorp (now, SMR) and the gear cutting tool and broaches business of Dagger Frost.
	Our Company entered into a joint venture with Sojitz Corporation.
2010	Our Company entered into a joint venture with Bergstrom Inc. and Nachi-Fujikoshi Corporation (Japan).
	Our Company issued 53,539,843 Equity Shares to Sojitz Corporation pursuant to conversion of 124,882,670 preference shares of ₹ 10 each.
2011	Our Company acquired the Peguform Group, an international supplier of interior and exterior plastic products for the automotive and related industries.

Certifications, awards and recognitions

We have received certifications, awards and recognitions for achieving and maintaining high standards in various aspects of our business. Set forth below is a description of some of the certifications, awards and recognitions received by us in the last three calendar years. These awards have not been received by the Company since the Company is a holding company and operates its business through a number of Subsidiaries, Joint Ventures and Other Consolidated Entities. Accordingly the awards are received by the entity which operates the business and which are either Subsidiaries, Joint Ventures or Other Consolidated Entities.

Calendar Year	Certification/ Award/ Recognition
2011	Award for 'overall best performance' by Hyundai granted to KIML
	Award for 'overall excellence (gold)' by Maruti Suzuki to MSSL
	Award for 'incoming quality improvement' by Maruti Suzuki to MSSL
	Certificate for 'timely capacity enhancement in the year 2010-2011' by Maruti Suzuki India Limited to MSSL
	Certificate for 'Superior Performance in Kaizen' by Maruti Suzuki Sumi Motherson Innovative Engineering Limited*
	'Fulfilment award' by GE Healthcare to Sumi Motherson Innovative Engineering Limited*
	Certificate for 'Supplier Quality Excellence Process' by Caterpillar to FMCEL
	President award by Mahindra & Mahindra to FMCEL

Calendar Year	Certification/ Award/ Recognition
2010	Certificate of appreciation by Renault Nissan to MSSL
	Award for 'excellence in quality' by Tata Motors to MSSL
2009	Award of merit for 'best cooperation' by Hyundai to MSSL

[*] *The High Court of Delhi, through an order dated January 30, 2012, sanctioned the scheme of arrangement under sections 391 and 394 of the Companies Act involving amalgamation of Sumi Motherson Innovative Engineering Limited, MSSL Global Wiring Limited and India Nails Manufacturing Limited with MSSL.*

For further details and other awards received, see the section titled "Our Business" on page 146.

Our main objects

Our main objects as contained in our Memorandum of Association are:

Clause	Particulars
1	To carry on the business of a holding company for establishing subsidiaries, making majority or minority investments, and/or to promote technical collaborations in companies operating in any kind of activity and in specific but not limited to investment in entities engaged the auto components or related sectors.
2	To provide Management Consultancy Services related to supervisory, administrative, training, managerial, technical, consultancy, marketing, procurement, accounting, legal, communications, personnel to companies in which investment has been made by the Company and/or by any of its related/affiliate/associate companies.

Changes in our Memorandum of Association

Except as stated below, our Memorandum of Association has not undergone any change since the incorporation of our Company.

Date of Amendment	Details of Amendment
July 19, 2005	The capital clause of our Memorandum of Association was changed from "*The authorised share capital of the Company is Rs. 2,00,00,000 (Rupees two crores) divided into 20,00, 000 (Twenty Lacs) shares of Rs. 10 (Rupees Ten) each*" to "*The authorised share capital of the Company is Rs. 5,00,00,000 (Rupees five crores) divided into 50,00, 000 (Fifty Lacs) shares of Rs. 10 (Rupees Ten) each*".
June 24, 2006	The capital clause of our Memorandum of Association was changed from "*The authorised share capital of the Company is Rs. 5,00,00,000 (Rupees five crores) divided into 50,00,000 (Fifty Lacs) shares of Rs. 10 (Rupees Ten) each*" to "*The authorised share capital of the Company is Rs.15,00,00,000 (Rupees fifteen crores) divided into 1,50,00, 000 (One crore fifty Lacs) shares of Rs. 10 (Rupees Ten) each*".
May 10, 2007	The capital clause of our Memorandum of Association was changed from "*The authorised share capital of the Company is Rs. 1,50,00,00,000 (Rupees fifteen crores) divided into 1,50,00,000 (One crore fifty Lacs) shares of Rs. 10 (Rupees Ten) each*" to "*The authorised share capital of the Company is Rs. 3,16,50,00,000(Rupees three hundred and sixteen crores and fifty lacs) divided into 31,65,00,000 (Thirty one crore sixty five Lacs) shares of Rs. 10 (Rupees Ten) each*".
March 2, 2009	The capital clause of our Memorandum of Association was changed from "*The authorised share capital of the Company is Rs. 3,16,50,00,000(Rupees three hundred and sixteen crores and fifty lacs) divided into 31,65,00,000 (Thirty one crore sixty five Lacs) shares of Rs. 10 (Rupees Ten) each*" to "*The authorised share capital of the Company is Rs. 9,00,00,00,000 (Rupees nine hundred crore) divided into 60,00,00,000 (Sixty Crore) equity shares of Rs. 10 (Rupees Ten) each and 30,00,00,000 (Thirty Crore) preference shares of Rs. 10 (Rupees Ten) each*".
March 2, 2009	The main objects clause of our Memorandum of Association was amended to add the following: "*To provide Management Consultancy Services related to supervisory, administrative, training, managerial, technical, consultancy, marketing, procurement, accounting, legal, communications, personnel to companies in which investment has been made by the Company and/or by any of its related/affiliate/associate companies*"
September 24, 2011	The capital clause of our Memorandum of Association was changed from "*The authorised share capital of the Company is Rs. 9,00,00,00,000 (Rupees nine hundred crore) divided into 60,00,00,000 (Sixty Crore) equity shares of Rs.10 (Rupees Ten) each and 30,00,00,000 (Thirty Crore) preference shares of Rs.10 (Rupees Ten) each*" to "*The Authorised Share Capital of the Company is Rs. 900,00,00,000 (Rupees Nine Hundred Crores only) comprising of 90,00,00,000*

Date of Amendment	Details of Amendment
	Equity Shares of Rs. 10 each aggregating to Rs. 900,00,00,000 (Rupees Nine Hundred Crores only)".
September 24, 2011	Clause (III) (A) of our Memorandum of Association was changed from "*To carry on the business of a holding company in India for establishing subsidiaries, making majority or minority investments, and/or to promote technical collaborations in companies operating in any kind of activity and in specific but not limited to investment in entities engaged the auto components or related sectors*" to "*To carry on the business of a holding company for establishing subsidiaries, making majority or minority investments, and/or to promote technical collaborations in companies operating in any kind of activity and in specific but not limited investment in entities engaged the auto components or related sectors*".

Listing

The Equity Shares are not listed on any stock exchange in India or abroad.

Shareholders

As of the date of this Red Herring Prospectus, the number of holders of the Equity Shares of our Company is 3,788.

Holding company

Our Company does not have a holding company.

Other details regarding our Company

For details regarding the description of the activities, products, market of each segment, the growth of our Company, profits due to foreign operations together with the country-wise analysis, the standing of our Company with reference to the prominent competitors with reference to its products, management, major suppliers and customers, environmental issues, segment, capacity/facility creation, location of plant, products, marketing and competition, please refer to "Our Business" on page 146 and "Our Management" on page 216.

Injunction or restraining order, if any, with possible implications

Our Company is not operating under any injunction or restraining order.

Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets, if any

Amalgamation of Motherson Consultancy Private Ltd ("MCPL") into our Company

The High Court of Delhi sanctioned the scheme of amalgamation between MCPL and our Company under sections 391 to 394 of the Companies Act ("**MCPL Amalgamation Scheme**") by an order dated December 10, 2007. The MCPL Amalgamation Scheme provided for the transfer of all of the business and undertaking of MCPL as described below ("**MCPL Business and Undertaking**") into our Company pursuant to sections 391 to 394 of the Companies Act.

The MCPL Amalgamation Scheme defined MCPL Business and Undertaking as:

"*all the assets, properties and liabilities of MCPL as on the Appointed Date of the MCPL Amalgamation Scheme, including, without limitation:*

(a) *all rights, title, interest, covenant, undertakings, liabilities including continuing rights, title and interest in connection with the immovable properties, land and buildings, whether freehold, leasehold or otherwise, of MCPL;*

(b) *all property, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent, including all movable assets, plant and machinery, office equipment, computers,*

software programs etc., data and communication facilities, lines and links telephones, telexes, facsimile connections, equipment, installations, utilities, electricity, water and other service connections, all resources, utilities and facilities, vehicles, miscellaneous expenditure to the extent not written off, works-in-progress including capital work in progress, whether owned, leased or otherwise;

(c) *all current assets, account receivables, loans and advances, cash in hand, cash balance in bank account(s), deposits including accrued interest, together with all present and future liability including contingent liabilities and debts appertaining to the moveable assets, of MCPL;*

(d) *all earnest monies and/ or security deposits, payment against warrants or other entitlements in connection with or relating to MCPL including but not limited to the deposits and rent advance paid to Lessor(s) of office premises and facilities;*

(e) *all investments of MCPL as well as loans and advances made by it, including accrued interest thereon, as applicable;*

(f) *all permits, quotas, rights, entitlements, allotments, approvals, consents, concessions, benefits arising out of exports of goods and services, exemptions, liberties, advantages, no-objection certificates, certifications, registration, easements, goodwill, licenses, tenancies, offices and depots, trademarks, service marks, patents, copyrights, domain names, tax credits including excise and service tax credits, central excise credits, applications for copyrights, patents, trade names and trade marks, privileges and benefits of all contracts, agreements and all other rights including lease rights, licenses, hire purchase arrangements, powers and facilities of every kind and description whatsoever appertaining to MCPL;*

(g) *right to claim tax holidays if applicable, under the provisions of the Income Tax Act, 1961;*

(h) *all share application monies received pending allotment, if any, debts, borrowings, liabilities, reserves, account payables and provisions, present or future, whether secured or unsecured, of MCPL;*

(i) *all debts, borrowings, and liabilities, present or future, whether recorded or unrecorded, whether secured or unsecured, of MCPL; and*

(j) *all employees of MCPL with protection of their current terms and conditions of employment.*"

Our Company gave effect to the MCPL Amalgamation Scheme on February 4, 2008 with effect from February 1, 2007 (being the appointed date from which the MCPL Amalgamation Scheme shall be applicable), which was the date on which a certified copy of the order of the High Court of Delhi under sections 391 to 394 of the Companies Act sanctioning the MCPL Amalgamation Scheme was filed with the RoC after obtaining the last of the sanctions, orders or approvals referred to in the MCPL Amalgamation Scheme ("**MCPL Amalgamation Effective Date**").

Set forth below are certain key features of the MCPL Amalgamation Scheme:

Share Capital

As of the MCPL Amalgamation Effective Date:

- The authorised share capital of MCPL was ₹ 15 million while the issued, subscribed and paid up capital of MCPL was ₹ 14.42 million.
- The authorised share capital of our Company was ₹ 150 million while the issued, subscribed and paid up capital of our Company was ₹ 94.50 million.

The MCPL Amalgamation Scheme provided that on the MCPL Amalgamation Effective Date, the authorised share capital of our Company would increase to ₹ 3,165 million so as to account for the amalgamation of MCPL into our Company. Further, on the MCPL Amalgamation Effective Date, our Company issued and allotted to each of the

share of MCPL, Equity Shares in the proportion of 371 Equity Shares fully paid up for every one equity share of ₹10 each held by them in MCPL on a date determined by our Board of Directors. Our Company issued these equity shares on February 19, 2008. For further details, please see "Capital Structure" on page 85.

Merger of MCPL into our Company

On the MCPL Amalgamation Effective Date, the MCPL Business and Undertaking was transferred and vested in our Company and became business, assets, properties, rights, privileges and debts, liabilities, duties and obligations (as the case may be) of our Company in a manner that no further steps or consents were required to be taken either for MCPL or our Company from any third party or any other person party to any contract or arrangement by virtue of which such assets, properties, rights, privileges, debts, liabilities, duties and obligations (as the case may be) may arise, in order to give effect to the provisions of the MCPL Amalgamation Scheme.

Accounting Treatment

The MCPL Amalgamation Scheme provides for the following accounting treatment by our Company with respect to the MCPL Business and Undertaking, including:

- Our Company shall record the assets and liabilities of MCPL vested in it pursuant to the MCPL Amalgamation Scheme at their fair value as on the Appointed Date under the MCPL Amalgamation Scheme.
- Any excess of the fair value of the net assets of MCPL over the paid-up value of the equity shares to be issued and allotted pursuant to the MCPL Amalgamation Scheme shall be accounted by our Company such that:

  (i) the balance in the Profit and Loss Account, General Reserve, Amalgamation Reserve and Share Premium Account of MCPL shall be transferred and aggregated to the corresponding Profit and Loss Account, General Reserve, Amalgamation Reserve and Share Premium Account in the books of our Company; and

  (ii) the net balance shall be credited by our Company to its Securities Premium Account or Investment Fluctuation Account.

Legal Proceedings

The MCPL Amalgamation Scheme provides that all legal proceedings by, or against MCPL and relating to MCPL or its properties, assets, debts, liabilities, duties and obligations as on the Appointed Date under the MCPL Amalgamation Scheme shall be continued and/ or enforced against our Company in the same manner and extent as would have been continued against MCPL with effect from the MCPL Amalgamation Effective Date.

Contracts, Deeds

With effect from the MCPL Amalgamation Effective Date, subsisting all contracts, deeds, bonds, agreements and other instructions to which MCPL was a party may be enforced by or against our Company as fully and effectually as if instead of MCPL, our Company was a party to such contracts, deeds, bonds and agreements.

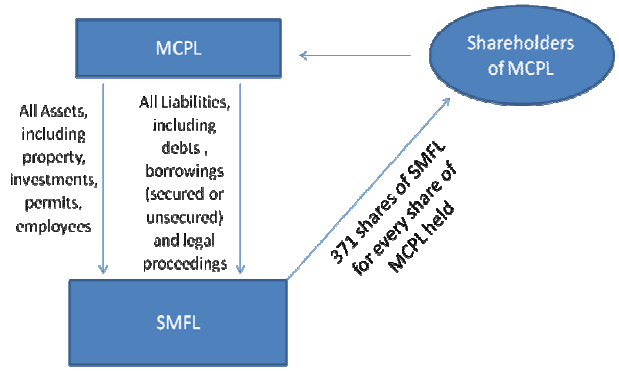
If required by any law or otherwise, our Company may, after the Effective Date, enter into or execute any deed, novation, confirmation or declaration to give formal effect to the provisions of such contracts on behalf of MCPL.

Employees and Workmen

On the MCPL Amalgamation Effective Date:

- all employees of MCPL as on the MCPL Amalgamation Effective Date will be employees of our Company without any break or interruption, on the same terms and conditions on which they were engaged by MCPL on the MCPL Amalgamation Effective Date; and
- the existing provident fund, gratuity fund, pension and other funds created by MCPL in respect of such employees will be transferred to our Company.

The following flowchart illustrates the structure of the MCPL Amalgamation Scheme and the transactions pursuant thereto.



Acquisition of business/undertakings

For acquisitions of business/undertakings by our Company, see the sections titled "Our Business" on page 146 and "History and Certain Corporate Matters- Other Material Agreements- Agreements pertaining to the acquisition of the Peguform Group and Wethje Companies" on page 213.

Capital raising activities through equity and debt

Except as disclosed in the section titled "Capital Structure" on page 85, as on date, our Company has not raised capital through equity. For details of our Company's debt facilities, please see the section titled "Financial Indebtedness" on page 488.

Changes in the activities of the Company during the last five years

There have been no changes in the activities of the Company during the last five years which may have had a material effect on the profits and loss account of our Company including discontinuance of lines of business, loss of agencies or markets and similar factors.

Defaults or rescheduling of borrowings with financial institutions/ banks and conversion of loans into equity

There have been no defaults made by our Company or rescheduling made by financial institutions or banks in respect to loans taken by our Company. Further, none of our loans have been converted into Equity Shares.

Subsidiaries of our Company

The following are the Subsidiaries of our Company. For details of the Subsidiaries, see the section titled "History and Certain Corporate Matters- Details of Our Subsidiaries" on page 183.

1. Motherson Advanced Tooling Solutions Limited
2. Motherson Auto Engineering Service Limited
3. Motherson Auto Solutions Limited
4. Motherson Bergstrom HVAC Solutions Private Limited
5. Motherson Climate System Limited
6. Motherson Machinery and Automations Limited
7. Motherson Molds and Diecasting Limited
8. Motherson Zanotti Refrigeration System Limited
9. MothersonSumi Infotech and Designs Limited
10. MSID U.S. Inc.
11. Nachi Motherson Tool Technology Limited

12. Saks Ancillaries Limited
13. Samvardhana Motherson Finance Services Cyprus Limited
14. Samvardhana Motherson Finance Services Inc.
15. Samvardhana Motherson Holding (M) Private Limited
16. Samvardhana Motherson Virtual Analysis Limited
17. Tigers Connect Travel Systems and Solutions Limited
18. Motherson Sintermetal Technology Limited

Joint Ventures of our Company

The following are the Joint Ventures of our Company. For details of the Joint Ventures, see the section titled "Financial Statements- Restated Consolidated Financial Statements- Consolidation" on page 320.

1. AES (India) Engineering Limited
2. Air Factory Energy Limited
3. Anest Iwata Motherson Coating Equipment Limited
4. Anest Iwata Motherson Limited
5. CTM India Limited
6. Fritzmeier Motherson Cabin Engineering Limited
7. Magneti Marelli Motherson Auto System Limited
8. Magneti Marelli Motherson India Holding B.V.
9. Matsui Technologies India Limited
10. Motherson Sumi Systems Limited
11. Motherson Techno Tools Limited
12. Motherson Techno Tools Mideast FZE
13. Nachi Motherson Precision Limited
14. Nissin Advanced Coating Indo Co Limited
15. Samvardhana Motherson B.V.
16. Samvardhana Motherson Global Holdings Limited
17. Samvardhana Motherson Polymers Limited
18. Samvardhana Motherson Reflectec Group Holdings Limited
19. Spheros Motherson Thermal System Limited

Other Consolidated Entities

In addition to the Subsidiaries and Joint Ventures, the following entities have been considered in the audited consolidated financial statements of our Company ("**Other Consolidated Entities**"). For details of the Other Consolidated Entities, see the section titled "Financial Statements- Restated Consolidated Financial Statements- Consolidation" on page 320:

Associate Company

1. Motherson Air Travel Agencies Limited

Subsidiaries/Joint Ventures/Associates of Motherson Sumi Systems Limited, the Joint Venture of our Company

1. Calsonic Kansei Motherson Auto Products Limited
2. Celulosa Fabril (Cefa) S.A. (Zaragoza, ES)
3. Changchun Peguform Automotive Plastics Technology Co., Ltd.
4. Die Wethje GmbH Kunststofftechnik
5. Forgu GmbH
6. Global Environment Management (FZC)
7. Global Environment Management Australia Pty Limited
8. Kyungshin Industrial Motherson Limited
9. Motherson Elastomers Pty Limited

10. Motherson Electrical Wires Lanka Private Limited
11. Motherson Investments Pty Limited
12. Motherson Orca Precision Technology GmbH
13. Motherson Wiring System Limited (FZE)
14. MSSL (GB) Limited
15. MSSL (S) Pte. Limited
16. MSSL Advanced Polymers s.r.o
17. MSSL Australia Pty Limited
18. MSSL Automobile Component Limited
19. MSSL Global RSA Module Engineering Limited
20. MSSL GmbH
21. MSSL Handels GmbH
22. MSSL Ireland Private Limited
23. MSSL Japan Limited
24. MSSL Mauritius Holdings Limited
25. MSSL México, S.A. de C.V. [(i)]
26. MSSL Mideast (FZE)
27. MSSL Polymers GmbH
28. MSSL s.r.l. Unipersonale
29. MSSL Tooling Limited (FZE)
30. Ningbo SMR Huaxiang Automotive Mirrors Limited
31. SMP Automotive Technology Management Services (Changchun) Co. Ltd.
32. Peguform de Teruel, S.L.
33. Peguform Ibérica, S.L.
34. Peguform México, S.A. de C.V.
35. Peguform Module División Ibérica Cockpits, S.L.
36. Peguform Slovakia s.r.o.
37. Peguform Portugal, S.A.
38. Samvardhana Motherson B.V.
39. Samvardhana Motherson Invest Deutschland Gmbh
40. SMP Automotive Solutions Personalleasings GmbH
41. SMP Deutschland GmbH
42. SMP Produtos Automotivos do Brasil Ltda.
43. SMP Shock Absorber Fabrication Mexico S.A. de C.V.
44. SMP Tecnologia Parachoques S.A. de C.V.
45. SMR Automotive Australia Pty Limited
46. SMR Automotive Beijing Company Limited
47. SMR Automotive Beteiligungen Deutschland GmbH
48. SMR Automotive Brasil Ltda
49. SMR Automotive Holding Hong Kong Limited
50. SMR Automotive Mirror International USA Inc.
51. SMR Automotive Mirror Parts and Holdings UK Limited
52. SMR Automotive Mirror Services UK Limited
53. SMR Automotive Mirror Systems Holding Deutschland GmbH
54. SMR Automotive Mirror Technology Holding Hungary Kft
55. SMR Automotive Mirror Technology Hungary Bt
56. SMR Automotive Mirrors Stuttgart GmbH
57. SMR Automotive Mirrors UK Ltd
58. SMR Automotive Operations Japan K.K [(i)]
59. SMR Automotive Services Portchester Limited (formerly Portchester Limited)
60. SMR Automotive Servicios Mexico S.A de C.V
61. SMR Automotive Systems (Thailand) Limited
62. SMR Automotive Systems France S.A.
63. SMR Automotive Systems India Limited
64. SMR Automotive Systems Spain S.A.U
65. SMR Automotive Systems USA Inc.

66. SMR Automotive Taree Pty Limited
67. SMR Automotive Technology Holding Cyprus Limited
68. SMR Automotive Technology Holdings USA Partners
69. SMR Automotive Technology Valencia S.A.U.
70. SMR Automotive Vision Systems Mexico S.A de C.V
71. SMR Automotive Yancheng Co. Limited
72. SMR Automotives Systems Macedonia Dooel Skopje
73. SMR Grundbesitz GmbH & Co. KG
74. SMR Holding Australia Pty Limited
75. SMR Hyosang Automotive Ltde
76. SMR Patents S.àr.l.
77. SMR Poong Jeong Automotive Mirrors Korea Limited
78. Vacuform 2000 Pty. Limited
79. Wethje Carbon Composite GmbH
80. Wethje Entwicklungs GmbH
81. Woco Motherson Advanced Rubber Technologies Limited
82. Woco Motherson Elastomers Limited
83. Woco Motherson Limited (FZC)

(i) The company became part of our group after December 31, 2011 and hence, would be considered in the consolidated financial statements of our Company for the financial year 2011-12.

** SMP Deutschland GmbH (formerly Peguform GmbH) holds 94% of the limited liability capital with only 24% voting rights in Purpurin Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG ("**Purpurin**"), a company incorporated under the laws of Germany. Additionally, the Peguform Group has no material influence over the financial or business policy of Purpurin due to its lack of majority voting rights. Accordingly, even though historically the financial results of the companies within the Peguform Group were consolidated into the consolidated financial statements of Peguform Holding GmbH ("**Peguform Holding**"), the financial results of Purpurin, were not consolidated into the consolidated financial statements of Peguform Holding, prepared in accordance with International Financial Reporting Standards ("**IFRS**"). Additionally, pursuant to the acquistion of the Peguform Group, Peguform Holdings GMBH was merged into Peguform Beteiligungs GmbH and ceases to exist in the post-acquisition structure of Peguform Group. Accordingly, going forward, the financial results of the companies within the Peguform Group will be consolidated into the consolidated financial statements of Samvardhana Motherson B.V. – the new main shareholder and parent company of Peguform Group after the acquisition. However, due to the reasons mentioned above, the financial results of Purpurin will not be consolidated into the consolidated financial statements of Samvardhana Motherson B.V., prepared in accordance with IFRS. Therefore, the financial results of Purpurin shall not be consolidated in the consolidated financial results of our Company.*

Details of our Subsidiaries

1. Motherson Advanced Tooling Solutions Limited ("MATS")

MATS was incorporated on October 16, 2007 under the Companies Act, 1956. MATS has its registered office at 2nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi 110 044. MATS is authorised to engage in the business of manufacturing and supplying broaches and gear cutting tools.

The authorised equity share capital of MATS is ₹ 350 million divided into 35,000,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up equity share capital of MATS is ₹ 200 million consisting of 20,000,000 equity shares of ₹ 10 each. The authorised preference share capital of MATS is ₹ 50 million. The issued, subscribed and paid-up preference share capital of MATS is ₹ 23 million consisting of 2,300,000 preference shares of ₹ 10 each.

The shareholding pattern of MATS, as on March 5, 2012 is as follows:

Equity shareholding

Name of shareholder	No. of equity shares of ₹ 10 each	% of issued capital
Our Company	19,999,400	99.99
Ashok Tandon*	100	0
Manoj Maheshwari*	100	0
Rohitash Gupta*	100	0
Chandra Shekhar Panda*	100	0
Geeta Soni*	100	0

Renu Sehgal*	100	0
Total	**20,000,000**	**100.00**

* *Nominees of our Company*

Preference shareholding

Name of shareholder	No. of preference shares of ₹ 10 each	% of issued capital
Our Company	2,300,000	100.00
Total	**2,300,000**	**100.00**

Extracts of financial information of MATS

Balance Sheet

₹million

	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009
SOURCES OF FUNDS			
Shareholders Funds:			
a) Share Capital	223.0	200.0	200.0
Loan Funds:	-	-	-
a) Secured Loans	347.9	323.2	-
TOTAL	**570.9**	**523.2**	**200.0**
	-	-	-
APPLICATION OF FUNDS	-	-	-
Fixed Assets:	-	-	-
a) Gross Block	465.5	457.9	-
b) Less: Depreciation	78.8	36.2	-
TOTAL	**386.7**	**421.7**	**-**
c) Capital Work in Progress	2.9	2.2	6.4
TOTAL	**389.6**	**423.9**	**6.4**
	-	-	-
Current Assets, Loans & Advances:	-	-	-
a) Inventories	83.8	57.2	-
b) Sundry Debtors	78.5	77.8	-
c) Cash & Bank Balances	6.3	5.3	186.2
d) Loans & Advances	32.5	14.5	3.1
TOTAL	**201.0**	**154.8**	**189.3**
	-	-	-
Less: Current Liabilities & Provisions:	-	-	-
a) Current Liabilities	61.8	45.1	0.9
b) Provisions	65.1	75.3	0.6
TOTAL	**126.9**	**120.4**	**1.5**
	-	-	-
Net Current Assets	74.1	34.4	187.9
	-	-	-
Profit and Loss Account - Debit balance	107.2	64.9	5.8
	-	-	-
TOTAL	**570.9**	**523.2**	**200.0**
Net asset value per share (₹)	**4.64**	**6.75**	**9.71**

Profit and Loss Account

₹million

	For the Year Ended	For the Year Ended	For the Year Ended

	March 31, 2011	March 31, 2010	March 31, 2009
INCOME			
Sales & Services	386.3	245.3	-
Less: Excise Duty	34.6	18.4	-
Net Sales	351.7	226.9	-
Job Work Income	9.8	7.0	-
Other Income	8.1	8.5	2.2
TOTAL INCOME	**369.7**	**242.4**	**2.2**
	-	-	-
EXPENDITURE	-	-	-
Cost of Goods Sold	84.3	52.6	-
Personnel Expenses	149.8	115.2	0.9
Operating and Administration expenses	92.9	65.0	1.6
TOTAL EXPENDITURE	**326.9**	**232.8**	**2.5**
	-	-	-
Profit before Interest & Depreciation	42.7	9.7	(0.3)
	-	-	-
Finance Cost	42.2	32.4	4.7
Depreciation	42.8	36.3	-
	-	-	-
Profit Before Tax	**(42.3)**	**(59.1)**	**(5.0)**
	-	-	-
Provision for Current Tax	-	-	0.7
Provision for Deferred Tax Liabilities	-	-	-
Provision for Fringe Benefit Tax	-	0.0	0.1
	-	-	-
Profit after Tax	**(42.3)**	**(59.1)**	**(5.8)**
	-	-	-
Add: Balance Brought Forward from Previous Period	(64.9)	(5.8)	(0.0)
	-	-	-
Balance available for appropriation	**(107.2)**	**(64.9)**	**(5.8)**
	-	-	-
Balance Carried to Balance Sheet	**(107.2)**	**(64.9)**	**(5.8)**
Earnings per share (₹) (Basic)	**(2.11)**	**(2.96)**	**(6.87)**
Earnings per share (₹) (Diluted)	**(2.11)**	**(2.96)**	**(6.87)**

2. Motherson Auto Engineering Service Limited ("MAESL")

MAESL was incorporated on May 13, 2004 under the Companies Act, 1956. MAESL has its registered office at 2nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi 110 044. MAESL is authorised to engage in the business of, among other things, design of stamping dies.

The authorised share capital of MAESL is ₹ 100 million divided into 10 million equity shares of ₹ 10 each. The paid-up share capital of MAESL is ₹ 35 million consisting of 3,500,000 equity shares of ₹ 10 each MAESL.

The shareholding pattern of MAESL, as on March 3, 2012 is as follows:

Name of shareholder	No. of equity shares of ₹ 10 each	% of issued capital
Our Company	3,499,600	99.99
Ashok Tandon*	100	0
Gaya Nand Gauba*	100	0
Pankaj Mital*	100	0
Chandra Shekhar Panda*	50	0
Rajesh Srivastava*	25	0
Manoj Maheshwari*	25	0

Name of shareholder	No. of equity shares of ₹ 10 each	% of issued capital
Total	**3,500,000**	**100.00**

[*] *Nominees of our Company*

3. Motherson Auto Solutions Limited ("MASL")

MASL was incorporated on December 9, 2004 under the Companies Act 1956. MASL has its registered office at F-7, 2nd Floor, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi 110 044. MASL is authorised to engage in the business of acquiring, developing, selling, leasing the land and maintaining, operating of industrial parks in India and all the activities incidental and ancillary thereto.

The authorised share capital of MASL is ₹ 1,000 million divided into 100 million equity shares of ₹ 10 each. The paid up share capital of MASL is ₹ 948.485 million consisting of 94,848,500 equity shares of ₹ 10 each.

The shareholding pattern of MASL, as on March 3, 2012 is as follows:

Name of shareholder	No. of equity shares of ₹ 10 each	% of issued capital
Our Company	62,599,940	66
Sojitz Corporation, Japan	32,248,500	34
Ajay Bahl[*]	10	0
Rohitash Gupta[*]	10	0
Manoj Maheshwari [*]	10	0
Ashok Tandon[*]	10	0
Renu Sehgal [*]	10	0
Chandra Shekhar Panda [*]	10	0
Total	**94,848,500**	**100.00**

[*] *Nominees of our Company*

4. Motherson Bergstrom HVAC Solutions Private Limited ("MBSL")

MBSL was incorporated on December 2, 2010 under the Companies Act, 1956. MBSL has its registered office at 2nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi 110 044.

MBSL is authorised to engage in the business of manufacturing, assembling, importing, exporting, dealing in, marketing, repairing, and acting as consultant and wholesaler for equipment, machineries and components relating to complete heating, ventilation and air conditioning for off highway vehicles, trucks, heavy duty vehicles and mining equipment.

The authorised share capital of MBSL is ₹ 144 million divided into 14.4 million equity shares of ₹ 10 each. The paid up share capital of MBSL is ₹ 70 million divided into 7,000,000 equity shares of ₹ 10 each.

The shareholding pattern of MBSL, as on March 3, 2012 is as follows:

Name of shareholder	No. of equity shares of ₹ 10 each	% of issued capital
Our Company	3,569,940	51.0
Ashok Tandon[*]	10	0
Chandra Shekhar Panda[*]	10	0
Manoj Maheshwari[*]	10	0
Rajesh Srivastava[*]	10	0
Arvinder Singh Gill[*]	10	0
Sanjay Mehta[*]	10	0
Bergstrom, Inc., USA	3,430,000	49
Total	**7,000,000**	**100**

[*] *Nominees of our Company*

5. Motherson Climate System Limited ("MCSL")

MCSL was incorporated on December 9, 2004 under the Companies Act. MCSL has its registered office at 2nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi 110 044.

MCSL is authorised to engage in the business of marketing, selling, manufacturing, imports, exports, service and assembly of chest freezers, chillers, glass top freezers, glass top chillers, vertical chillers, display cabinets, refrigeration products and kitchen equipments.

The authorised share capital of MCSL is ₹ 50 million divided into 5,000,000 equity shares of ₹ 10 each. The paid-up share capital of MCSL is ₹ 26 million divided into 2,600,000 equity shares of ₹ 10 each.

The shareholding pattern of MCSL, as on April 10, 2012 is as follows:

Name of shareholder	No. of equity shares of ₹10 each	% of issued capital
Our Company	2,599,900	99.99
Ashok Tandon[*]	10	0
Geeta Soni[*]	10	0
Manoj Maheshwari[*]	10	0
Chandra Shekhar Panda[*]	10	0
Rohitash Gupta[*]	10	0
Renu Sehgal[*]	50	0
Total	**2,600,000**	**100**

[*] *Nominees of our Company*

6. Motherson Machinery and Automations Limited ("MMAL")

MMAL was incorporated on December 9, 2004 under the Companies Act. MMAL has its registered office at 2nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi 110 044.

MMAL is authorised to engage in the business of, among other things, designing, manufacturing, assembling, processing, importing and exporting machines, machine tools, cutting tools, industrial furnaces, tool manufacturing machines, and coating furnaces.

The authorised share capital of MMAL is ₹ 5 million divided into 500,000 equity shares of ₹ 10 each. The paid-up share capital of MMAL is ₹ 5 million divided into 500,000 equity shares of ₹ 10 each.

The shareholding pattern of MMAL, as on March 3, 2012 is as follows:

Name of shareholder	No. of equity shares of ₹ 10 each	% of issued capital
Our Company	499,400	99.88
Renu Sehgal[*]	100	0.02
Geeta Soni[*]	100	0.02
Ashok Tandon[*]	100	0.02
Vivek Avasthi[*]	100	0.02
Laksh Vaaman Sehgal[*]	100	0.02
Manoj Maheshwari[*]	100	0.02
Total	**500,000**	**100**

[*] *Nominees of our Company*

7. Motherson Molds and Diecasting Limited ("MMDL")

MMDL was incorporated on July 28, 2006 under the Companies Act. MMDL has its registered office at 2nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi 110 044.

MMDL is authorised to carry on the business of among other things, manufacturing of molds and checking fixtures.

The authorised share capital of MMDL is ₹ 100 million divided into 10,000,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up share capital of MMDL is ₹ 68 million consisting of 6,800,000 equity shares of ₹ 10 each.

The shareholding pattern of MMDL, as on March 5, 2012, is as follows:

Name of shareholder	No. of equity shares of ₹ 10 each	% of issued capital
Our Company	3,467,400	51.0
Renu Sehgal	100	0.02
Geeta Soni	100	0.02
Ashok Tandon	100	0.02
Vivek Avasthi	100	0.02
G.N. Gauba	100	0.02
Manoj Maheshwari	100	0.02
CTM India Limited	3,332,000	49
Total	**6,800,000**	**100**

8. Motherson Zanotti Refrigeration System Limited ("MOZAR")

MOZAR was incorporated on October 18, 2007 under the Companies Act, 1956. MOZAR has its registered office at 2nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi 110 044.

MOZAR is authorised to carry on the business of marketing, selling, exporting, importing, servicing, manufacture and assembly of refrigeration units for automobiles and stationery applications.

The authorised share capital of MOZAR is ₹ 125 million divided into 4,000,000 equity shares of ₹ 10 each and 8,500,000 preference shares of ₹ 10 each. The paid-up share capital of MOZAR is ₹ 125 million consisting of 4,000,000 equity shares of ₹ 10 each and 8,500,000 7% optionally convertible redeemable preference shares of ₹ 10 each.

The shareholding pattern of MOZAR, as on March 29, 2012 is as follows:

Equity Shareholding

Name of shareholder	No. of equity shares of ₹ 10 each	% of issued capital
Our Company	1,049,401	26.23
Samvardhana Motherson Finance Services Cyprus Limited	950,000	23.75
Zanotti S.P.A. Italy	1,999,999	49.99
Ashok Tandon*	100	0
Vivek Avasthi*	100	0
Gaya Nanda Gauba*	100	0
Rohitash Gupta*	100	0
Geeta Soni*	100	0
Manoj Maheshwari*	100	0
Total	**4,000,000**	**100**

* *Nominees of our Company*

Preference shareholding

Name of shareholder	No. of preference shares of ₹ 10 each	% of issued capital
Our Company	8,500,000	100
Total	**8,500,000**	**100**

9. MothersonSumi Infotech & Designs Limited ("MIND")

MIND was incorporated on April 15, 1985 under the Companies Act, 1956. MIND has its registered office at 2nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi 110 044.

MIND is authorised to carry on the business of software development and design services.

The authorised equity share capital of MIND is ₹ 160 million divided into 16 million equity shares of ₹ 10 each. The paid-up equity share capital of MIND is ₹ 129.734 million divided into 12,973,453 equity shares of ₹ 10 each. The authorised and paid up preference share capital of MIND is ₹ 80 million divided into 8 million 7% redeemable preference shares of ₹ 10 each.

The shareholding pattern of MIND, as on March 12, 2012 is as follows:

Equity Shareholding

Name of shareholder	No. of equity shares of ₹ 10 each	% of issued capital
Our Company	6,957,115	53.7
Motherson Sumi Systems Limited	1,200,000	9.2
Sumitomo Wiring Systems Limited, Japan	2,639,535	20.3
H.K. Wiring Systems Limited	1,196,005	9.2
Radha Rani Holdings Pte. Limited	537,495	4.1
Vivek Chaand Sehgal	130,021	1.0
Laksh Vaaman Sehgal	100,021	0.8
Geeta Soni	71,453	0.6
Systematic Conscom Limited	100	0.0
Others	141,708	1.1
Total	**12,973,453**	**100**

Preference Shareholding

Name of shareholder	No. of preference shares of ₹ 10 each	% of issued capital
Sumitomo Wiring Systems Limited	4,000,000	50
Our Company	2,750,000	34.38
Motherson Sumi Systems Limited	1,250,000	15.62
Total	**8,000,000**	**100**

10. MSID U.S., Inc. ("MSID Inc.")

MSID Inc. was incorporated on August 5, 2006 under the laws of the United States of America. MSID Inc. has its registered office at 350 Fifth Avenue, Suite 5013 New York NY 1011. MSID Inc. is authorised to carry out the business of, among other things, providing information technology and engineering design services.

The authorised share capital of MSID Inc. is USD 1,000 divided into 100 equity shares of USD 10 each. The paid-up share capital of MSID Inc. is 1,000 USD consisting of 100 equity shares of USD 10 each.

The shareholding pattern of MSID Inc., as on March 12, 2012 is as follows:

Name of shareholder	No. of equity shares of USD ten each	% of issued capital
MIND	100	100.00

Name of shareholder	No. of equity shares of USD ten each	% of issued capital
Total	**100**	**100.00**

11. Nachi Motherson Tool Technology Limited ("NMTTL")

NMTTL was incorporated on December 9, 2004 under the Companies Act, 1956. NMTTL has its registered office at 2nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi 110 044.

NMTTL is authorised to carry out the business of manufacturing, assembling, marketing and selling of band saw.

The authorised share capital of NMTTL is ₹ 35 million divided into 3.5 million equity shares of ₹ 10 each. The paid-up share capital of NMTTL is ₹ 25 million consisting of 2.5 million equity shares of ₹ 10 each.

The shareholding pattern of NMTTL, as on March 3, 2012 is as follows:

Name of shareholder	No. of equity shares of ₹ 10 each	% of issued capital
Our Company	1,849,500	73.98
Renu Sehgal*	100	Negligible
Geeta Soni*	100	Negligible
Ashok Tandon*	100	Negligible
Laksh Vaaman Sehgal*	100	Negligible
Vivek Avasthi*	100	Negligible
Nachi Fujikoshi Corporation	650,000	26.00
Total	**2,500,000**	**100.00**

* *Nominees of our Company*

12. Saks Ancillaries Limited ("SAKS")

SAKS was incorporated on May 7, 1985 under the Companies Act as Saks Ancillaries Private Limited. A fresh certificate of incorporation was granted to SAKS upon its change from a private to a public company with effect from June 29, 1994. SAKS has its registered office at 2nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi 110 044.

SAKS is authorised to carry out the business of manufacturing of wiring harness.

The authorised share capital of SAKS is ₹ 30 million divided into 3 million equity shares of ₹ 10 each. The issued, subscribed and paid-up share capital of SAKS is ₹ 24,996,500 consisting of 2,499,650 equity shares of ₹ 10 each.

The shareholding pattern of SAKS, as on March 3, 2012 is as follows:

Name of shareholder	No. of equity shares of ₹10 each	% of issued capital
Our Company	1,452,690	58.11
MSSL	1,005,084	40.21
Other Shareholders	41,876	1.68
Total	**2,499,650**	**100.00**

13. Samvardhana Motherson Finance Services Cyprus Limited ("SMF Cyprus")

SMF Cyprus was incorporated on March 30, 2007 in Cyprus under the laws of Cyprus. SMF Cyprus has its registered address of SMF Cyprus is 3 Themistocles Dervis Street, Julia house, Nicosia, CY 1066, Cyprus. SMF Cyprus is authorised to carry out the business of holding of investments.

The authorised share capital of SMF Cyprus is US$100 divided into 100 equity shares of USD 1 each. The paid up share capital of SMF Cyprus is USD 34.227 consisting of 34.227 equity shares of USD 1 each.

The shareholding pattern of SMF Cyprus, as on February 29, 2012 is as follows:

Name of shareholder	No. of ordinary shares of US$ 1 each	% of issued capital
Our Company	34.227	100
Total	34.227	100

Extracts of financial information of SMF Cyprus

Income Statement

USD*

	Year ended March 31, 2011	January 1, 2009 to March 31, 2010	January 1, 2008 to December 31, 2008
Administration Expenses	(51,357)	(79,612)	(99,810)
Interest Income	1922	9,868	106,229
Other (losses)/gains- net	(1,652,529)	-	-
Finance Cost	(565,402)	(717,625)	(987,801)
Loss before Tax	(2,267,366)	(787,369)	(981,382)
Tax	(1,429)	-	(10,623)
(Loss)/profit for the year/period	(2,268,795)	(787,369)	(992,005)
Earnings per share (₹) (Basic)	(67.0)	(24.1)	(30.3)
Earnings per share (₹) (Diluted)	(67.0)	(24.1)	(30.3)

* *For details in relation to the exchange rates as of February 1, 2012, see the section titled "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" on page 10.*

Statement of financial position

USD*

	As at March 31, 2011	As at March 31, 2010	As at December 31, 2008
ASSETS			
Non-current asset			
Investment in subsidiaries	565,838	2,457,797	2,707,797
Investment in joint ventures	11,831,586	11,831,586	10,255,511
	12,397,424	14,289,383	12,963.308
Current assets			
Prepayments	-	376	-
Cash and cash equivalents	600,085	446,178	809,400
Total assets	600,085	446,554	809,400
	12,997,509	14,735,937	13,772,708
EQUITY AND LIABILITIES			
Share capital	33,873	32,710	32,710
Share Premium	1,743,337	-	-
Accumulated Losses	(4,932,383)	(2,663,588)	(1,876,219)
	(3,155,173)	(2,630,878)	(1,843,509)
Non-current liabilities			
Borrowings	15,956,598	-	15,574,548
Current liabilities			
Other payables	28,168	31,098	31,046

Current tax liabilities	1,429	-	10,623
Borrowings	166,487	17,335,717	-
	196,084	17,366,815	41,669
Total liabilities	16,152,682	17,366,815	15,616,217
Total equity and liabilities	12,997,509	14,735,937	13,772,708
Net asset value per share (₹)	(93.1)	(80.4)	(56.4)

[*] *For details in relation to the exchange rates as of February 1, 2012, see the section titled "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" on page 10.*

14. Samvardhana Motherson Finance Services Inc. ("SMFSI")

SMFSI was incorporated on May 14, 2007 in Maryland under the Maryland state law. SMFSI has its registered office at 265 Shadow Glen Court, Gaithersburg, MD 20878. SMFSI is authorised to carry out the business of investing.

The authorised share capital of SMFSI is USD 1.005 million divided into 1,005,000 equity shares of USD 1 each. The paid-up share capital of SMFSI is USD 1.005 million consisting of 1,005,000 equity shares of USD 1 each.

The shareholding pattern of SMFSI, as on March 23, 2012 is as follows:

Name of shareholder	No. of equity shares of USD 1 each	% of issued capital
Samvardhana Motherson Finance Services Cyprus Limited	1,005,000	100
Total	**1,005,000**	**100**

15. Samvardhana Motherson Holding (M) Private Limited ("SMH Mauritius")

SMH Mauritius was incorporated on December 4, 2008 under the laws of Mauritius. SMH Mauritius has its registered office at c/o Abax Corporate Services Ltd., 6th floor, Tower A, 1 CyberCity, Ebene, Mauritius. SMH Mauritius is authorised to carry out the business of investment holding.

The stated capital of SMH Mauritius is EURO 2,761,161 divided into 1,325,714 ordinary shares of no par value and 1,731,159 preference shares of no par value. SMH Mauritius has in issue 1,731,159 preference shares. Face value of the shares has not been disclosed as such shares have been issued at no par value, as permitted under the laws of Mauritius.

The shareholding pattern of SMH Mauritius, as on March 13, 2012 is as follows:

Name of shareholder	No. of ordinary shares of no par value	% of issued capital
Our Company	1,325,714	100
Total	1,325,714	100

Our Company also holds 1,731,159 preference shares in SMH Mauritius.

Extracts of financial information of SMH Mauritius

Statement of comprehensive income

Euro[*]

	Year ended March 31, 2011	January 1, 2009 to March 31, 2010	December 4, 2008 to December 31, 2008 *(Restated)*
Income			
Bank interest	716	12,679	

	---	---	---
Expenses			
Start-up Costs	-	-	2,288
Directors' fees	1,345	1,340	95
Secretarial fees	1,008	1,004	71
Administration fees	11,880	20,374	142
Legal and professional fees	297	67,668	-
Licence fees	1,343	1,625	78
Audit fees	5,520	7,552	816
Accountancy fees	4,100	5,236	638
Tax fees	851	818	461
Bank charges	4,695	876,849	39
Interest on loan	994,194	1,150,171	-
Exchange difference	220,187	83,749	-
Sundry expenses	235	201	-
	---	---	---
	1,245,655	2,216,587	4,628
	---	---	---
Operating loss for the year/period	(1,244,939)	(2,203,908)	(4,628)
Share of profit of associate	11,525,888	15,383,114	-
	---	---	---
(Loss)/profit for the year/period	10,280,949	13,179,206	(4,628)
	=========	=========	=========
Other comprehensive income			
Share of loss of associate as a result of acquisition			
of entity under common control	-	(5,412)	-
Share of other reserves of associate	(1,441,160)	4,190,896	-
	---	---	---
	(1,441,160)	4,185484	-
	=========	=========	=========
Total comprehensive income for the year/period	8,839,789	17,364,690	(4,628)
	=========	=========	=========
Earnings per share (₹) (Basic)	7.8	9.9	-4,628
Earnings per share (₹) (Diluted)	7.8	9.9	-4,628

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[*] *For details in relation to the exchange rates as of February 1, 2012, see the section titled "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" on page 10.*

Statement of financial position

Euro[*]

	As at March 31, 2011	As at March 31, 2010	As at December 31, 2008
ASSETS			
Non-current asset			
Investment in associate	44,855,429	33,601,218	-
	---	---	---
Current assets			
Trade and other receivables	906	1,201,776	2,469
Cash and cash equivalents	220,664	542,574	-
	---	---	---
Total current assets	221,570	1,744,350	2,469
	---	---	---
Total assets	45,076,999	35,345,568	2,469
	=========	=========	=========

EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	1,547,052	1,547,052	2
Other reserves	4,551,810	4,190,896	-
Retained earnings	22,817,524	13,169,166	(4,628)
	---	---	---
Total capital and reserves	28,916,386	18,907,114	(4,626)
	---	---	---
Liabilities			
Non-current liabilities			
Bank loan	16,058,676	-	-
	---	---	---
Current liabilities			
Bank loan	-	15,820,048	-
Trade and other payables	101,937	618,406	7,095
	---	---	---
	101,937	16,438,454	7,095
	---	---	---
Total equity and liabilities	45,076,999	35,345,568	2,469
	=========	=========	=========
Net asset value per share (₹)	21.4	13.9	-4,628

[*] *For details in relation to the exchange rates as of February 1, 2012, see the section titled "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" on page 10.*

16. Samvardhana Motherson Virtual Analysis Limited ("SMVAL")

SMVAL was incorporated on August 12, 2005 under the Companies Act. SMVAL has its registered office at 2nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi 110 044. SMVAL is authorised to carry out the business of, among other things, computer aided design, consultancy, sale & trade of tools & moulds, dies and fixtures.

The authorised share capital of SMVAL is ₹ 50 million divided into 5 million equity shares of ₹ 10 each. The paid-up share capital of SMVAL is ₹ 20.98 million consisting of 2,098,642 equity shares of ₹ 10 each.

The shareholding pattern of SMVAL, as on March 3, 2012 is as follows:

Name of shareholder	No. of equity shares of ₹ 10 each	% of issued capital
Our Company	2,098,042	100
Vivek Avasthi[*]	100	0
Ashok Tandon[*]	100	0
Geeta Soni[*]	100	0
Renu Sehgal[*]	100	0
Manoj Maheshwari[*]	100	0
Rohitash Gupta[*]	100	0
Total	**2,098,642**	**100.00**

[*] *Nominees of our Company*

17. Tigers Connect Travel Systems and Solutions Limited ("TIGERS")

TIGERS was incorporated on July 26, 2006 under the Companies Act. Its registered office is situated at 2nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi 110 044. TIGERS is authorised to carry out the business of providing travel and hospitality services.

The authorised equity share capital of TIGERS is ₹ 20 million divided into 2 million equity shares of ₹ 10 each and the authorised preference share capital of TIGERS is ₹ 55 million divided into 5.5 million preference shares of ₹ 10 each. The paid up share capital of TIGERS is ₹ 55 million divided into 1 million equity shares of ₹ 10 each and 4.5 million preference shares of ₹ 10 each.

The shareholding pattern of TIGERS, as on March 5, 2012 is as follows:

Equity shareholding

Name of shareholder	No. of equity shares of ₹ 10 each	% of issued capital
Our Company	999,400	99.94
Vivek Avasthi*	100	Negligible
Ashok Tandon*	100	Negligible
Geeta Soni*	100	Negligible
Renu Sehgal*	100	Negligible
Gaya Nand Gauba*	100	Negligible
Manoj Maheshwari*	100	Negligible
Total	**1,000,000**	**100**

* *Nominees of our Company*

Preference shareholding

Name of shareholder	No. of preference shares of ₹ 10 each	% of issued capital
Our Company	4,500,000	100
Total	**4,500,000**	**100**

18. Motherson Sintermetal Technology Limited ("Sintermetal")

Sintermetal was incorporated on December 22, 2011 under the Companies Act. Its registered office is situated at 2nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi 110 044. Sintermetal is authorised to carry out the business of manufacturing, developing, assembly and marketing of sintered powder metal parts.

The authorised equity share capital of Sintermetal is ₹ 50 million divided into 5 million equity shares of ₹ 10 each. The paid up share capital of Sintermetal is ₹ 0.5 million divided into 50,000 equity shares of ₹ 10 each.

The shareholding pattern of Sintermetal, as on March 10, 2012 is as follows:

Equity shareholding

Name of shareholder	No. of equity shares of ₹ 10 each	% of issued capital
Our Company	49,400	98.80
Ashok Tandon*	100	0.20
Parthasarathy Srinivasan*	100	0.20
Chandra Shekhar Panda*	100	0.20
Rajesh Srivastava*	100	0.20
Manoj Maheshwari*	100	0.20
Geeta Soni*	100	0.20
Total	**50,000**	**100**

* *Nominees of our Company*

Interest of the Subsidiaries in the Company

We have entered into certain business contracts with our Subsidiaries. For details, see the section titled "Our Business" on page 146.

Other confirmations

Our Subsidiaries have not completed any public or rights issue in the ten years preceding this Red Herring Prospectus. There are no accumulated profits or losses in relation to any of our Subsidiaries that are not accounted for by our Company. Our Subsidiaries have not been declared sick companies under the Sick Industrial Companies (Special Provisions) Act, 1985. Further, except as stated in the section titled "Group Companies" on page 231, no application has been made in respect of any of our Subsidiaries to the registrar of companies for striking off their names.

Location of the registered office of our Subsidiaries at 2nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi 110 044

The following 14 Subsidiaries have their registered office situated at 2nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi 110 044.

a) Motherson Advanced Tooling Solutions Limited
b) Motherson Auto Engineering Service Limited
c) Motherson Auto Solutions Limited
d) Motherson Bergstrom HVAC Solutions Private Limited
e) Motherson Climate System Limited
f) Motherson Machinery and Automations Limited
g) Motherson Molds and Diecasting Limited
h) Motherson Sintermetal Technology Limited
i) Motherson Zanotti Refrigeration System Limited
j) MothersonSumi Infotech & Designs Limited
k) Nachi Motherson Tool Technology Limited
l) Saks Ancillaries Limited
m) Samvardhana Motherson Virtual Analysis Limited
n) Tigers Connect Travel Systems and Solutions Limited

The registered offices of the abovementioned entities have been situated at the same address merely for operational efficiency. Having common registered offices for these companies enables the business activities and secretarial compliances to be conducted efficiently and in an organized manner.

Motherson Sumi Systems Limited ("MSSL")

MSSL, one of our Joint Ventures, is a public listed company and one of the Group Companies. Certain details of MSSL are provided herein below:

Corporate information

MSSL was incorporated under the Companies Act on December 19, 1986. MSSL has its registered office at 2nd Floor, F-7, Block B-1, Mohan cooperative Industrial Estate, Mathura Road, New Delhi. MSSL is authorized to carry on the business of manufacturing, fabrication, assembling and dealing in wiring Harness and other automobile component.

Pursuant to a collaboration agreement dated December 3, 1986 entered between Motherson Auto Private Limited (now, Motherson Auto Limited), Sumitomo Wiring Systems Limited and Nissho Iwai Corporation (now, Sojitz Corporation), MSSL was formed as a joint venture company. Our Company currently holds 36.12% of the issued equity share capital of MSSL.

Interest of the Promoters

Our Promoters are interested to the extent of their direct and indirect shareholding in MSSL.

Financial information

(₹ in million, except share data)

	Fiscal 2011	Fiscal 2010	Fiscal 2009
Equity capital (Equity share of face value of ₹ 1 each)	387.54	374.59	355.55
Reserves (excluding revaluation) and surplus	9,693.94	6,770.87	3,782.77
Income	27,778.82	17,048.74	12,949.43
Profit after tax	2,874.86	1,784.66	695.41
Earnings per share (Basic)	7.45	4.76	1.96
Earnings per share (Diluted)	7.33	4.41	1.96
Net asset value per share	26.01	19.03	10.89

Market price of the equity shares

The equity shares of face value of Re. 1 each of MSSL are listed on the BSE, NSE, Delhi Stock Exchange Limited and Ahmedabad Stock Exchange Limited. The market value of the equity share of face value of Re. 1 each of MSSL is ₹ 184.00 at NSE and ₹ 183.80 at BSE as on the date of registering the Red Herring Prospectus with the RoC.

The highest and lowest market price of MSSL during the preceding six months at BSE is as given below:

Period	Highest (₹)	Lowest (₹)
October 2011	188.70	162.00
November 2011	199.00	133.00
December 2011	160.50	129.00
January 2012	165.50	130.75
February 2012	194.90	155.40
March 2012	191.75	176.15

The highest and lowest market price of MSSL during the preceding six months at NSE is as given below:

Period	Highest (₹)	Lowest (₹)
October 2011	190.00	160.90
November 2011	199.40	124.55
December 2011	160.80	129.00
January 2012	165.40	131.10
February 2012	206.70	154.50
March 2012	192.10	176.15

Amalgamation of Sumi Motherson Innovative Engineering Limited, MSSL Global Wiring Limited and India Nails Manufacturing Limited with MSSL

The High Court of Delhi, through an order dated January 30, 2012, sanctioned the scheme of arrangement under sections 391 and 394 of the Companies Act involving amalgamation of Sumi Motherson Innovative Engineering Limited, MSSL Global Wiring Limited and India Nails Manufacturing Limited with MSSL. The order came into effect on March 31, 2012 upon filing of the order with the RoC. Accordingly all the properties, rights, powers, duties and liabilities of Sumi Motherson Innovative Engineering Limited, MSSL Global Wiring Limited and India Nails Manufacturing Limited have been transferred to MSSL and Sumi Motherson Innovative Engineering Limited, MSSL Global Wiring Limited and India Nails Manufacturing Limited have been dissolved without winding up.

Collaborations

Our Company has not entered into any collaboration with any third party as per paragraph (2) (VIII) (B) (1) (c) of Part A, Schedule VIII of the SEBI Regulations.

Strategic partners

Our Company has not entered into any arrangements with any strategic partners within the meaning of the SEBI Regulations.

Financial partners

Apart from our various arrangements with our bankers, which are undertaken in the ordinary course of our business, our Company does not have any other financial partners within the meaning of the SEBI Regulations.

Shareholders' Agreement

Shareholders' Agreement dated March 23, 2009 entered among our Company, Vivek Chaand Sehgal, Laksh Vaaman Sehgal and Sojitz Corporation

Our Company has entered into a shareholders' agreement dated March 23, 2009 ("**Sojitz SHA**") with Sojitz Corporation ("**Sojitz**"), Vivek Chaand Sehgal and Laksh Vaaman Sehgal. The key terms of the Sojitz SHA are as follows:

Board and Committee Constitution

The total strength of our Board of Directors shall consist of not less than six and not more than 10 Directors. Sojitz shall have the right to nominate one individual for appointment of a Director of our Company, so long as the shareholding of Sojitz continues to be at least 2% of the total Equity Shares issued by our Company. In the event the total number of Directors on our Board of Directors increased beyond 10, each party to the Sojitz SHA shall have the right to nominate additional Directors in proportion to their respective shareholding in our Company. Vivek Chaand Sehgal and Laksh Vaaman Sehgal shall be entitled to appoint one of the Directors as the Chairman of our Board of Directors.

Policies

Our Company and its Directors, officers and employees will not divulge or communicate to any person any confidential information concerning the business, accounts, finance or technology of our Company without the specific approval of the Board of Directors. Further, our Company shall ensure that its key managerial personnel are covered by insurance and adequate service agreements, as appropriate.

An annual business plan, approved by the Board of Directors, shall be made available to Sojitz, Vivek Chaand Sehgal and Laksh Vaaman Sehghal at least seven days prior to the date of the relevant meeting of the Board of Directors.

Accounts, Dividends and Good Faith Consultation

Our Company's auditors shall be selected by our Board of Directors from time to time, from amongst one of the 'big-four' accounting firms. Any change to our Company's statutory auditors shall also be from among the 'big four' accounting firms.

Every year, our Board of Directors will decide the amount of profits that needs to be retained in our Company for expanding the operations of our Company, both as required by law as well as the needs of our Company, and the amount to be recommended for the shareholders' approval to be distributed to the parties to the Sojitz SHA.

Sojitz will not have any objections if our Company issues or allows transfer of Equity Shares to the public by listing the Equity Shares on a recognized stock exchange ("**IPO**"). Further, in the event of an IPO, the provisions of the Sojitz SHA shall continue to remain in force *inter see* the shareholders to the greatest possible extent permitted by applicable laws.

Pre-emptive rights, Right of first refusal, tag-along rights

If at any time our Company decides to raise further finance by way of issuance of any additional Equity Shares or other securities of our Company convertible into Equity Shares, then our Company can only issue such shares and shall do so only after offering to Sojitz on the same terms and conditions, a proportionate stake in our Company as may be calculated in accordance with the provisions of the Sojitz SHA.

In the event that Sojitz intends to transfer all or any of the Equity Shares or Vivek Chaand Sehgal and Laksh Vaaman Sehgal intend to transfer their controlling interest in our Company, to any third party transferee, the transferring party shall first offer such shares to the other shareholder (that is, Vivek Chaand Sehgal and Laksh Vaaman Sehgal to Sojitz and/or Sojitz to Vivek Chaand Sehgal and Laksh Vaaman Sehgal, as the case may be) on the same terms and conditions as are being offered to the third party transferee.

Further, notwithstanding the abovementioned, in the event of transfer of shares by Vivek Chaand Sehgal and Laksh Vaaman Sehgal to a third party transferee, Sojitz may, on receipt of a notice in this regard, participate in such transfer to the third party transferee at the same price and terms per share, which is offered by the third party transferee to Vivek Chaand Sehgal and Laksh Vaaman Sehgal. Also, in the event of transfer by Vivek Chaand Sehgal and Laksh Vaaman Sehgal of their entire shareholding in our Company to a third party transferee, they may also required the transfer to the third party transferee of not less than all of the Equity Shares held by Sojitz at the same price and terms per share, which is offered by the third party transferee to them.

Put option, Buy Back and Call option

At any time after two years and six months from the date of issuance of preference shares (details of which have been stated in the section titled "Capital Structure" on page 85), provided that our Company has not made an IPO, Sojitz shall be entitled, at its sole discretion, to require Vivek Chaand Sehgal and Laksh Vaaman Sehgal, jointly and severally, to purchase and/or cause the purchase from Sojitz of all or any part of the Equity Shares then held by Sojiz and Vivek Chaand Sehgal and Laksh Vaaman Sehgal shall be obliged to purchase and/or cause the purchase of such shares held by Sojitz and/or its affiliates at such price as prescribed in the Sojitz SHA. However, Vivek Chaand Sehgal and Laksh Vaaman Sehgal may, instead of or in lieu of performing their obligations as abovementioned, cause our Company to buy-back, in accordance with the provisions of the Companies Act and the Private Limited Company and Unlisted Public Limited Company (Buy-Back of Securities) Rules, 1999 and/ or other applicable laws, all the 'Put Shares' within a period of 90 days from the date of the notice of the buy-back being provided to Sojitz in this regard. The price per Equity Share to be paid by the Company to Sojitz in the buy-back process shall not be less than the 'Put Option Exercise Price' per 'Put Share'.

Similarly, subject to the terms and conditions specified in the Sojitz SHA, Vivek Chaand Sehgal and Laksh Vaaaman Sehgal (also as a representative of Renu Sehgal and Radha Rani Holdings) shall be entitled to, at their discretion, require Sojitz to sell and/or cause the sale by Sojitz of Equity Shares upto 5% of the total Equity Shares as per the register of member of the Company on that date out of the Equity Shares then held by Sojitz Vivek Chaand Sehgal and Laksh Vaaaman Sehgal (also as a representative of Renu Sehgal and Radha Rani Holdings).

If and when the option and rights mentioned above, have been duly adopted and have not been successful, and not at any time before, Sojitz shall be entitled to require Vivek Chaand Sehgal and Laksh Vaaman Sehgal to sell and/or cause the sale by them, of such number of shares as amount of a transfer of the controlling interest of our Company, to Sojitz.

Pursuant to this provision, Vivek Chaand Sehgal and Laksh Vaaman Sehgal have exercised their right to enable their assignee, Advance Technologies and Automotive Resources Pte Ltd (a member of our Promoter Group and a Group Company), to purchase 2,29,27,000 Equity Shares held by Sojitz at a price of ₹ 73.14 per Equity Share. For further details, see the section titled "Capital Structure" on page 85.

Pursuant to a letter dated March 26, 2012 issued by Vivek Chaand Sehgal, Laksh Vaaman Sehgal and our Company to Sojitz, which letter has been accepted by Sojitz, the Sojitz SHA shall automatically stand terminated immediately upon listing of the Equity Shares.

For related risks, see the section titled "Risk Factors" on page 13.

Details of benefits to our Company pursuant to the transaction with Sojitz

Based on publicly available information, Sojitz is a company of 'Sojitz group' which was incorporated pursuant to the business integration between Nichimen Corporation (established in 1892) and Nissho Iwai Corporation (established in 1928), both entities having a history of over a century. Sojitz Corporation is a public listed company in Japan listed on Tokyo Stock Exchange and Osaka Securities Exchange. The 'Sojitz group' consists of about 500 companies including 139 subsidiaries and affiliates in Japan and 361 overseas. Sojitz group operates in many industries, including construction, forestry, plastics, chemicals, mining, petroleum, textiles, industrial parks and international trade.

The Motherson group has had business connections with Nissho Iwai Corporation for over 30 years, which has always supported the Company and its Group Companies and affiliates in developing ties with the Japanese automakers who have made their presence in India. To enhance its business association with the Sojitz group, the Company entered into shareholders agreement with Sojitz to expand its business globally. The Company has also collaborated with Sojitz Corporation for setting up, developing and maintaining of an industrial park in Chennai.

Consequent to the investment of Sojitz Corporation (and as specified in a preference share subscription agreement and a shareholders' agreement, both of which were dated March 23, 2009), it was issued 124,882,670, 0% compulsorily convertible preference shares of ₹ 10 each of the Company at a premium of ₹ 6.50 each, which were subsequently converted to 53,539,843 Equity Shares.

Material Agreements

a) Trust Deed

Pursuant to deed of trust dated May 31, 2006 entered into among our Company, Ashok Tandon and Gaya Nand Gauba, our Company has established a trust named 'Samvardhana Employees Welfare Trust' for the benefit of the employees of our Company and its 'affiliate companies' and also for introducing and offering employee stock option plans or any other schemes for promoting the welfare of the existing and future employees of our Company and 'affiliates' from time to time. 'Affiliate Companies' have been defined in the trust deed to mean companies, which form part of or are members of the Motherson group and Sehgal family, and in which the Company or member company of the Motherson group or Sehgal family, either alone or together hold, directly or indirectly, a minimum of 33.33% of the equity share capital or the companies, which hold, directly or indirectly, a minimum of 33.33% of the equity share capital of the Company or companies whose management control is with the members of the Sehgal family and includes MSSL and its subsidiaries and the Company.

The trustees of this Trust are Ashok Tandon and Gaya Nand Gauba. The beneficiaries of the Trust shall include certain eligible permanent employees of our Company and its 'affiliate companies' as defined in the trust deed, determined in such manner as may be specified in an employee stock option scheme and other applicable documents to be administered under the trust.

The trust has a corpus of ₹ 0.5 million. The Trust shall extinguish upon fulfillment of the purposes for which it has been established. Further, the trust is irrevocable, except with the consent of the 'optionees', as defined in the trust deed.

For further details in relation to the Trust, see the section titled "Capital Structure - Samvardhana Employees Welfare Trust (the "Trust")" on page 93.

b) Shareholders' agreement dated July 28, 2011 entered among our Company, MSSL and Samvardhana Motherson Polymers Limited ("SMPL")

Our Company has entered into a shareholders' agreement dated July 28, 2011 ("**SMPL SHA**") with MSSL and SMPL. Certain key terms of the SMPL SHA are as follows:

Share Capital

Our Company and MSSL shall hold the entire paid-up share capital of SMPL, either directly or through their subsidiaries/ nominees/ affiliates to the extent of 49% and 51%, respectively. If SMPL issues new shares, our Company and MSSL shall have the right to subscribe to such shares in proportion to their respective shareholding.

Board of directors

The board of directors of SMPL shall comprise of a minimum of four and a maximum of eight directors. Each of MSSL and our Company shall have the right to nominate a minimum of two and a maximum of four directors, so long as they individually hold 35% of the issued, subscribed and paid-up capital of SMPL.

Transfer of shares

Our Company and MSSL shall not sell or otherwise dispose of or in any other manner transfer title of rights to any of the share of SMPL held by them without the consent of the other.

Tenure of the SMPL SHA

The SMPL SHA shall continue to be in force till such time as it is terminated pursuant to the provisions contained therein.

c) Shareholders Agreement dated March 15, 2012 between Michael Bernhard Gnann, our Company and Motherson Sintermetal Technology Limited

Our Company has entered into a shareholders' agreement dated March 15, 2012 ("**Sintermetal SHA**") with Michael Bernhard Gnann ("**MG**") and Motherson Sintermetal Technology Limited ("**MSTL**") pursuant to which MSTL has agreed to buy 100% shareholding of MG, directly or indirectly, in Sintermetal S.A. Further, MG and our Company have agreed to participate in MSTL with the object of engaging in the business of manufacturing of powder metal parts for automotive and other industries. Certain key terms of the Sintermetal SHA are as follows:

Shareholding

The issued and paid-up capital of MSTL will be increased to approximately ₹ 68.90 million and the shareholding of MSTL will be maintained in the following manner for the next three years till January 31, 2015:

- Our Company or its nominees or affiliates: 51% minus one share
- MG or his nominees or affiliates – 49%

Our Company will invest in the form of compulsory convertible debentures at zero coupon in the terms and conditions mentioned in the Sintermetal SHA.

Restriction of transfer of shares

Our Company and MG shall not, directly or indirectly, transfer or dispose off, a part or all of the shares of MSTL for a period of three years from the Sintermetal SHA. Further, the transfer, if any, of such shares shall be subject to such restrictions as specified in the said agreement. This includes, *inter alia*, call option and put option rights prescribed in the agreement.

Management

The board of directors of MSTL shall constitute five directors, consisting of three directors nominated by the Company and two directors nominated by MG.

Term

The Sintermetal SHA shall be effective as long as our Company and MG are the principal shareholders of MSTL.

d) Consultancy and Professional Service Agreement dated April 1, 2011 entered into by our Company and Motherson Auto Limited ("MAL")

Our Company has entered into a consultancy and professional service agreement dated April 1, 2011 with MAL, one of our Group Companies pursuant to which MAL provides management consultancy and professional services to our Company. Such services include the following:

(i) Corporate functions including (a) overall coordination and integration of the activities and functions, and review of business plans of group companies, (b) processing all proposals for diversification, expansion new technical collaborations and obtaining principal approvals after evaluation before the proposals are taken up by the respective board of directors.

(ii) Advisory and consultancy services in relation to (a) industrial relations and labour law legislations, (b) customs and excise, (c) taxation, (d) sales tax, (e) company affairs and (f) legal matters.

(iii) Services in company law matters, including (a) assisting in drafting joint venture agreements, technical assistance agreements and other such agreements, (b) assisting in obtaining various approvals from governmental agencies with regard of setting up of joint venture companies, (c) assisting in preparation, filing and follow-up on various statutory filings, and (d) recording of minutes, preparation of resolutions and circulation of resolutions and related paper work for our Board meetings and shareholders' meetings.

(iv) Internal audit services, including assisting our Company in (a) defining and specifying the scope of audit, (b) assisting in discussion on the observations of the audit reports, (c) identification of systems and procedures requiring improvement and making recommendations to our Company.

(v) Assisting in matters pertaining to corporate income tax, foreign exchange management and corporate finance and conducting of annual corporate maintenance audits.

For the abovementioned services, our Company shall pay MAL a consideration of ₹ 0.25 million per quarter, subject to applicable taxes. The duration of the agreement shall be from April 1, 2011 to March 31, 2012 and may be renewed on mutually agreed terms and conditions.

e) Joint Venture Agreements

Set forth below are the details of the joint venture agreements entered into by our Company. Pursuant some of these joint venture agreements, certain of our Group Companies (for instance, MAL) are required to enter into agreements so as to provide administrative services, while our Joint Venture partners provide technical services and other know-how to the Joint Venture companies. For details in relation to the operations of our Joint Ventures, see the section titled "Our Business" on page 146.

Date of the joint venture agreement	Parties to the joint venture agreement, besides our Company	Purpose of the joint venture	Key terms of the joint venture agreement
June 7, 2006	Spheros GmbH, Germany ("**Spheros GmbH**")	To incorporate a joint venture company named Spheros Motherson Thermal System Limited ("**SMTSL**") for manufacturing, assembling and sale of air conditioners and trading of other thermal management systems for buses, in Indian and	*Shareholding* Spheros GmbH shall hold 51% of the share capital and our Company shall hold 49% of the share capital of SMTSL. *Board of Directors* The board of directors of SMTSL shall consist of four directors, two directors to be nominated by each of Spheros GmbH and our Company. *Non-Compete*

Date of the joint venture agreement	Parties to the joint venture agreement, besides our Company	Purpose of the joint venture	Key terms of the joint venture agreement
		other SAARC countries.	The parties to the joint venture agreement and SMTSL shall not compete with each other in the territories prescribed in the agreement, during its tenure. *Term* The joint venture agreement shall be in effect till such time as the parties thereto hold shares in SMTSL. Further, it may be terminated pursuant to breach of the terms by any of the parties and the serving of a notice, as provided in the terms therein.
August 24, 2006	Anest Iwata Corporation, Japan ("**AIC**")	To incorporate a joint venture named Anest Iwata Motherson Coating Equipment Limited ("**AIMCEL**") for manufacturing, marketing and sale of spray guns and spray painting equipments to be supplied by AIC to AIMCEL, in the territories of SAARC countries	*Shareholding* AIC shall hold 51% and our Company shall hold 49% of the share capital of AIMCEL. *Board of Directors* The board of directors of AIMCEL shall consist of four directors, two directors to be nominated by each of AIC and our Company. *Non-Compete* The parties to the joint venture agreement and AIMCEL shall not compete with each other (with regard to solicitation of orders and supply of the products contemplated in the agreement and similar products) in the territories prescribed in the agreement, during its tenure. *Term* The joint venture agreement shall be in effect till such time as the parties thereto hold shares in AIMCEL. Further, it may be terminated pursuant to, among other things, a breach of the terms by any of the parties and the serving of a notice, as provided in the terms therein, or in case of a substantial change in the management and control of either of the parties to the agreement.
January 11, 2008	Magneti Marelli Holding S.p.A, Italy ("**MM**")	To incorporate a joint venture company named Magneti Marelli Motherson Holding India B.V. ("**MMMH**") in Netherlands.	*Setting up of a company in India* The parties to the joint venture agreement shall procure that MMMH shall incorporate a company named as Magneti Marelli Motherson Auto System Limited in India ("**MMM India**"). *Shareholding* *(a) Shareholding in MMMH:* Our Company and MM, or its respective affiliates, shall hold 50% of the share capital of MMMH. *(b) Shareholding in MMM India:* Immediately upon the execution of the agreement, nominees of each of MM and our Company shall hold three equity shares of MMM India.

Date of the joint venture agreement	Parties to the joint venture agreement, besides our Company	Purpose of the joint venture	Key terms of the joint venture agreement
			Further, MMMH will hold 10% (less six equity shares held by the nominees of MM and our Company) of the share capital of MMM India. Further, MMMH shall hold 90% of the share capital of MMM India in fully convertible preference shares. The parties have subsequently, however, revised their shareholding in MMM India such that (i) the nominees of MM and our Company hold three equity shares each in MMM India, (ii) MMMH holds 10% (less six equity shares held by the nominees of MM and our Company) of the share capital in equity shares, (iii) MM and our Company each and/or their respective affiliates hold 45% of the share capital in fully convertible preference shares in the MMM India. *Board of Directors* The board of directors of MMMH and MMM India shall comprise of at least four and a maximum of eight directors. MM and our Company shall have the right to nominate equal number of directors. *Non-Compete* MM and our Company shall not and shall not cause their respective affiliates to compete with each other and MMM India with regard to assembling, manufacturing and distribution of the products contemplated in the agreement, in India. *Term* The joint venture agreement shall be in effect till such time as the parties thereto hold shares in MMMH and MMM India. Further, it may be terminated pursuant to a breach of the terms by any of the parties and the serving of a notice.
October 5, 2007[*]	Nissin Electric Company Limited, Japan ("**Nissin**")	To incorporate a company named Nissin Advanced Coating Indo Co. Limited ("**Nissin India**") for the purposes of sale, service and manufacture of thin film coated metals in the territories of SAARC countries	*Shareholding* Nissin and our Company shall hold 51% and 49%, respectively, of the paid up equity share capital of Nissin India. *Board of Directors* The board of directors of Nissin India shall constitute of four directors, two each nominated by Nissin and our Company, respectively. *Non-Compete* The parties to the agreement shall not compete in the territories of business of Nissin India, with regard to the sale, service, manufacture and assembly of the products contemplated in the agreement. However, our Company will not object to Nissin or any of its group companies to establish its wholly owned subsidiary or entering into a trademark license or any other similar agreement with any other Indian partner.

Date of the joint venture agreement	Parties to the joint venture agreement, besides our Company	Purpose of the joint venture	Key terms of the joint venture agreement
			Term The joint venture agreement shall be in effect till such time as the parties thereto hold shares in Nissin India. Further, it may be terminated, among other things, in the event Nissin India generates a loss for a continuous period of five years.
September 24, 2007	Zanotti S.p.A, Italy ("**Zanotti**")	To incorporate a joint venture company named Motherson Zanotti Refrigeration System Limited ("**MOZAR**") for the manufacturing and assembly of refrigeration units for automobiles and stationary application in India and other SAARC countries	*Shareholding* Our Company itself and through our associates and Zanotti will hold 2,000,001 equity shares and 19,99,999 equity shares of MZRL, respectively (being 50% plus 1 share and 50% less 1 share respectively, of the issued share equity share capital). *Board of Directors* The board of directors of MOZAR shall constitute of a minimum of four directors, two each nominated by Zanotti and our Company, respectively. *Non-Compete* The parties to the joint venture agreement and MOZAR shall not compete with each other in the territories prescribed in the agreement, during its tenure. *Term* The joint venture agreement shall be in effect till such time as the parties thereto hold shares in MOZAR and are the principal shareholders of MOZAR. Further, it may be terminated pursuant to breach of the terms by any of the parties and the serving of a notice, as provided in the terms therein.
September 24, 2006[**]	Matsui Manufacturing Company Limited, Japan ("**Matsui**")	To incorporate a joint venture named Matsui Technologies India Limited ("**Matsui India**") for the purposes of sale, service, manufacture and assembly of auxiliaries such as dryers, loaders, mold temperature controller, mixing and blending equipment, granulators for injection, blow and extrusion molding.	*Shareholding* Our Company shall hold 50% less one share and Matsui shall each hold 50% plus one share of the issued share capital of Matsui India. *Board of Directors* The board of directors of Matsui India shall be at least five directors, of which three shall be nominated by Matsui and two shall be nominated by our Company. *Non-Compete* The parties will not compete in the business territory with regard to the sale, service, manufacture and assembly of the products and those similar to the products during the term of the agreement. If the agreement terminates as a result of SMFL acquiring the shares of Matsui in Matsui India, Matsui shall not compete with Matsui India as long as the brand usage, technical assistance, licensing and distributorship

Date of the joint venture agreement	Parties to the joint venture agreement, besides our Company	Purpose of the joint venture	Key terms of the joint venture agreement
			agreements remain in force. *Term* The joint venture agreement shall be in effect till such time as the parties thereto hold shares in Matsui. Further, it may be terminated, among other things, in the event Matsui India generates a loss for a continuous period of five years and the loss of the company exceeds 50% of the net asset block value.
September 15, 2010	Bergstrom Inc., USA ("**Bergstrom**")	To incorporate a joint venture named Motherson Bergstrom HVAC Solutions Private Limited (" **MBSL**") for the purposes of setting up a facility to engage in the manufacture, assembly, marketing and sale of complete HVAC system and component for off highway vehicles, trucks, heavy duty vehicles and mining equipment, excluding ambulances	*Shareholding* Our Company shall hold 51%, and Bergstrom shall hold 49% of the share capital of MBSL. *Board of Directors* The board of directors of MBSL shall consist of at least four directors, half of which shall be nominated by each of Bergstrom and our Company. *Non-compete* Bergstrom and our Company will not engage in the business of MBSPL in the specified territories during the term of the agreement. Our Company and our affiliates shall not for a period of 18 months after which our Company ceases to be a shareholder of the MBSL engage in on its own behalf or indirectly with a third party the manufacturing, assembling, marketing or selling the products anywhere outside the specified territory. *Term* The joint venture agreement shall continue as long as both parties hold shares and are the principal shareholders of MBSPL. Further, it may be terminated on the occurrence of certain events of default, including a material breach, incapability of performing the obligations under the agreement, winding up order against a party or a change in control involving a competitor of the other party.
November 23, 2005	AES Global Pte Limited ("**AES**") and Motherson Consultancy Private Limited ("**MCPL**")[**] [*]	To incorporate a joint venture named AES (India) Engineering Limited ("**AEL**") for automotive related business covering all aspects of engineering, consulting, civil, architectural, electrical services; procuring and selling equipment; digital engineering and related activities	*Shareholding* AES and MCPL shall hold 74%. and 26%, respectively, of the issued share capital of AEL. *Board of Directors* The board of directors of AEL shall consist of four directors and each party shall nominate directors pro-rata to its shareholding percentage (i.e. AES shall nominate three directors and MCPL shall nominate one director). *Non-compete* Neither party shall promote, participate in, finance, operate or

Date of the joint venture agreement	Parties to the joint venture agreement, besides our Company	Purpose of the joint venture	Key terms of the joint venture agreement
			engage in or be concerned or interested in any business or operation in India similar to or competitive with the business of AEL while it is a shareholder of AEL. *Term* The joint venture agreement shall be in effect till such time as the parties thereto hold shares in AEL. Further, it may be terminated pursuant to breach of the terms by any of the parties and the serving of a notice, as provided in the terms therein.
September 25, 2009	ATAR Mauritius Private Limited ("**ATAR**") and CTM India Limited ("**CTMIL**"), as a confirming party [****]	CTMIL shall carry out the business of manufacture of medium and large tools moulds and dies for all kinds of applications.	*Shareholding* ATAR and our Company shall maintain their shareholding in CTMIL at 59% and 41%, respectively. *Board of Directors* The maximum strength of the board of directors of CTMIL shall be five directors. ATAR shall have the right to nominate three directors and our company shall have the right to nominate two directors. *Term* The agreement shall remain in force unless otherwise terminated. Further, the agreement shall terminate if, among other things, the parties thereto agree to liquidate CTMIL, or if the ordinary business of CTMIL is substantially interrupted for more than six months due to any *force majeure* event.
December 28, 2009	Sojitz Corporation ("**Sojitz**"), Motherson Auto Solutions Limited ("**MASL**")	To allow Sojitz to participate as a JV partner in MASL, which prior to the agreement, was held entirely by our Company and engaged in the business of acquiring, developing, selling, and leasing of land and operating an industrial park at Chennai.	*Shareholding* Our Company shall hold 66% and Sojitz shall hold 34% of the issued share capital of MASL *Board of Directors* The board of directors of MASL shall consist of six directors. Sojitz shall nominate two directors and our Company shall nominate four directors. *Non-compete* Neither party shall promote, participate in, finance, operate or engage in or be concerned or interested in any business similar to or competitive with the business of MASL during and for a period of one year after it ceases to hold a shareholding interest in MASL. *Term* The agreement shall remain in force unless otherwise terminated. Further, the agreement shall terminate if, among other things, the parties thereto agree to liquidate MASL, or if the ordinary business of MASL is substantially interrupted for more than six months due to any *force majeure* event.

Date of the joint venture agreement	Parties to the joint venture agreement, besides our Company	Purpose of the joint venture	Key terms of the joint venture agreement
October 27, 2006	Nachi-Fujikoshi Corporation, Japan ("**Nachi**"); Motherson Advanced Auto Engineering Limited ("**MAAEL**") as a confirming party	To convert MAAEL into a joint venture company named Nachi Motherson Tool technology Limited ("**NMTTL**"), which would engage in the manufacture, assembly, marketing and selling of band-saw and other products as agreed upon by the parties, in India.	*Shareholding* Our company shall hold 74%, while Nachi shall hold 26%.of the share capital of NMTTL. *Board of Directors* The board of directors of NMTTL shall consist of not more than four directors, out which three shall be nominees of our Company and one shall be nominee of Nachi. *Non-compete* Neither party shall compete with each other and NMTTL in the territory of operation of NMTTL during the term of the joint venture agreement. *Term* The joint venture agreement shall continue unless terminated or if the shares held by a party are acquired by the other. The agreement may be terminated in various situations including an event of default, as stated in the provisions therein.
September 17, 2010	Nachi-Fuikoshi Corporation, Japan ("**Nachi**")	To incorporate a joint venture company called Nachi Motherson Precision Limited ("**NMPL**"), to engage in business of providing regrinding and recoating services for forming racks and broaches, manufacture of forming racks, and manufacture, marketing and sale of imported cutting tools, in India using technology provided by and/or trademark licensed by Nachi and sale of certain machine tools manufactured by Nachi	*Shareholding* Nachi and our Company shall hold 51% and 49%., respectively, of the issued share capital of NMPL *Board of Directors* The board of directors of NMPL shall consist of not more than five directors, two of whom shall be nominated by our Company and three by Nachi. *Non-compete* The parties to the agreement shall not compete with each other and NMPL with regard to providing, promoting and marketing of the products under the technical assistance agreement between the parties during the subsistence of their shareholding in NMPL. *Term* The joint venture agreement shall be in effect till such time as the parties thereto hold shares in NMPL. Further, it may be terminated pursuant to breach of the terms by any of the parties and the serving of a notice, as provided in the terms therein.
November 15, 2006 *****	F Holding GmbH, Austria ("**F Holding**")	To incorporate a joint venture named 'Fritzmeier Motherson Cabin Engineering Limited' ("**FMCEL**") for the purposes of designing,	*Shareholding* F Holding and our Company shall hold 50% each of the issued share capital of FMCEL. *Board of Directors*

Date of the joint venture agreement	Parties to the joint venture agreement, besides our Company	Purpose of the joint venture	Key terms of the joint venture agreement
		development, manufacturing, assembling and sale of (a) cabins and rops structures for construction machinery, (b) cabins and rops structures for agricultural vehicles, (c) cabins and overhead gards for fork lift trucks, (d) cabins and driver protection structures for other off highway vehicles, in the territories of SAARC countries	The board of directors of FMCEL shall comprise of four directors, two each to be nominated by F Holding and our Company. *Non-Compete* F Holding and our Company will not, directly or indirectly compete with each other in the territories in which the agreement operates and with FMCEL with regard to the developing, designing, manufacturing, assembling, sale and distribution of the products contemplated in the agreement. *Term* The joint venture agreement shall be in effect till such time as the parties thereto hold 50% shares in FMCEL. Further, it may be terminated pursuant to, among other things, breach of the terms by any of the parties and the serving of a notice, as provided in the terms therein.

[*] *Pursuant to a deed of adherence dated June 11, 2008 between Nissin India, our Company, Samvardhana Motherson Finance Services Cyprus Limited ("**SMF Cyprus**") and Nissin, SMF Cyprus shall be deemed to a shareholder in Nissin India. Our Company and SMF Cyprus shall jointly and severally observe, perform and be bound by all the terms of the agreement dated October 5, 2007 which are applicable to our Company. Our Company and SMF Cyprus shall, in all cases, jointly exercise the rights to which they are entitled under the said agreement.*

[**] *Pursuant to an amendment dated November 22, 2010, the business territory as provided in the agreement dated September 24, 2006 has been extended to South Africa and Australia, on a non-exclusive basis, for the purposes of manufacturing, assembly, sales and marketing of the prodcust contemplated under the agreement.*

[***] *MCPL has been amalgamated into our Company. For further details, see the section titled "History and Certain Corporate Matters – Amalgamation of Motherson Consultancy Private Ltd ("MCPL") into our Company" on page 177.*

[****] *ATAR had a joint venture with Tool Tech and Design Limited ("LAB"). LAB transferred its shareholding to Karlad Nominees Pty Limited, which in turn transferred the entire shares to our Company on September 8, 2009.*

[*****] *Pursuant to deed of adherence dated March 27, 2008 and an addendum agreement dated April 28, 2009 F Holding and our Company alongwith SMF Cyprus hold 50% each is the share capital of FMCEL.*

f) Other material agreements

I. Agreements by certain of our Joint Ventures

Certain of our joint ventures and Other Consolidated Entities have, in turn, entered into joint venture agreements. Pursuant to certain of these joint venture agreements, certain of our Group Companies are required to enter into agreements so as to provide administrative services, while the joint venture partners provide technical services and other know-how to the joint venture companies. The significant terms of certain of such joint venture agreements have been provided hereinbelow.

Date of the joint venture agreement	Parties to the joint venture agreement	Purpose of the joint venture	Key terms of the joint venture agreement
May 14, 2004[*]	1) Woco Franz Josef Holding GmbH 2) Woco Industrietechnik GmbH 3) MSSL	To set a joint venture named Woco Motherson Advanced Rubber Technologies Limited ("**Woco Motherson**"), for the manufacture, processing, assembly, trade and sale of moulded technical rubber parts, precision	*Shareholding* The participation ratio of Woco Franz Joseph Holding GmbH (along with Woco Industrietechnik GmbH) and MSSL, in Woco Motherson shall be 66.67 : 33.33 respectively. *Non-Compete* MSSL and Woco Franz Josef Holding GmbH or

Date of the joint venture agreement	Parties to the joint venture agreement	Purpose of the joint venture	Key terms of the joint venture agreement
		parts, rubber-to-metal parts and rubber-to-plastic parts in and from India as export oriented unit	any of their directors or officers shall not, without the consent of the other party, till such time as they hold shares in Woco Motherson and 12 months thereafter, hold any shares, take any office as a director or serve as an employee or consultant or have any interest in any corporation or non-incorporated buisiness that is engaged in the business in India in the manufacture of the products contemplated under the joint venture agreement. *Board of Directors* The board of directors of Woco Motherson shall comprise of five directors, three nominated by MSSL and two nominated by Woco Franz Josef Holding GmbH. *Term* The joint venture agreement may be terminated only by the unanimous determination of the parties thereto, or upon serving a notice of termination in accordance with the terms therein, or in the event of a material breach of any term of the agreement by any of them.
July 21, 1997[**]	Kyungshin Industrial Corporation Limited ("**KIC**") and MSSL	To incorporate a manufacturing company named Kyungshin Industrial Motherson Private Limited ("**KIML**", now "Kyungshin Industrial Motherson Limited") for the purposes of manufacture, sale and distribution of integrated wiring harness and other products (as mutually agreed) to, among other things, Hyundai Motors India Limited	*Shareholding* KIC and MSSL will hold 50% each of the equity share capital of KIML. *Board of Directors* The board of directors of KIML shall comprise of six directors, three being nominated by each of KIC and MSSL. *Non-Compete* KIML and MSSL will not compete in the sales territory with regard to the solicitation of order and supply of integrated wiring harness, subject to the terms of the agreement. *Term* The joint venture agreement shall be in effect till such time as the parties thereto hold shares in KIML. Further, it may be terminated pursuant to, among other things, a breach of the terms by any of the parties and the serving of a notice, or in case Hyundai Motor Car does not set up a project in India. If MSSL or KIC do not hold at least 26%of the issued subscribed and paid up capital, or go under liquidation, their respective names will be removed from the name of the company .
August 9, 2007 [***]	Calsonic Kansei Corporation ("**CK**") and MSSL	To incorporate a joint venture named Calsonic Kansei Motherson Auto	*Shareholding* CK and MSSL shall hold 51% and 49%,

Date of the joint venture agreement	Parties to the joint venture agreement	Purpose of the joint venture	Key terms of the joint venture agreement
		Products Limited ("**CKM**") for the purpose of manufacture of auto parts of integrated heating, ventilation and air-conditioning, interior and assembling, engine cooling module, exhaust system (press and welding), cross car beam, compressor, body control module, instrument cluster and cockpit module in the territory of India, for the consumption of Maruti Suzuki Limited	respectively, of the issued equity share capital of CKM. *Board of Directors* The board of directors of CKM shall comprise of four directors, two directors to be nominated by each of CK and MSSL. *Non-Compete* MSSL and CK will not compete with each other and CKM in India with regard to the business of CKM as provided for in the agreement and in the assembling, manufacturing and distribution of the products contemplated in the agreement. *Term* The joint venture agreement shall be in effect till such time as the parties thereto hold shares in CKM. Further, it may be terminated pursuant to, among other things, a breach of the terms by any of the parties and the serving of a notice in accordance with the terms of the agreement.
December 8, 2000	Anest Iwata Corporation ("**AIC**") and Motherson Leasing & Industrial Finance Limited ("**MLIF**")[1]	To provide for the establishment, ownership and operation of a manufacturing and marketing company to be named as Anest Iwata Motherson Limited ("**AIM**") which shall engage in the production, manufacture, assembly, and sale of oil-lubricated reciprocating air compressors, in the SAARC countries.	*Shareholding* AIC and MLIF (now our Company) shall hold 51% and 49%, respectively in AIM. *Board of Directors* The board of directors of AIM shall consist of six directors, with AIC and MLIF both nominating three directors each. *Non-compete* The parties shall not compete in the specified territories of business of AIM. This arrangement shall be effective only with regard to the products which are the subject matter of the business of AIM. *Term* The joint venture agreement shall continue as long as both parties hold shares in AIM, unless terminated in accordance with the provisions therein.
September 5, 2005	Motherson Advanced Systems and Solutions Limited ("**MASS**"), Radha Rani Holdings Pte Ltd ("**RRHPL**"), JSRR Holdings (M) Pvt. Ltd. ("**JSRR**"), and Vivek Chaand Sehgal ("**Mr. Sehgal**"), together referred to as "**Sehgal Group**", Sumitomo Electric Hardmetal	To allow SHM to participate in the business of MTTL, which is engaged in the manufacture, fabrication and sale of various kinds of cutting tool products	*Shareholding* Our Company shall hold 14.34%, RRHPL shall hold 11.96%, JSRR shall hold 45.73%, Mr. Sehgal shall hold 2.97% and SHM shall hold 25% of the equity share capital of MTTL^. *Board of Directors* The board of directors of MTTL shall consist of

Date of the joint venture agreement	Parties to the joint venture agreement	Purpose of the joint venture	Key terms of the joint venture agreement
	Corp. ("**SHM**"), Motherson Techno Tools Limited ("**MTTL**")[2]		seven directors, of which five shall be nominated by the Sehgal Group and two by SHM. *Non-Compete* MTTL shall sell the products manufactured under the technical assistance of SHM or the products purchased from SHM only in India, the SAARC countries, UAE, Iran and other countries as may be agreed upon by the parties. *Term* The agreement shall remain in force unless otherwise terminated. Further, it may be terminated pursuant to breach of the terms by any of the parties and the serving of a notice, as provided in the terms therein.
November 22, 2011	Cross Motorsport Systems AG ("**CMS**") and Forgu GmbH	To provide for matters in relation to, *inter alia*, the shareholding and management of Wethje Carbon Composite GmbH ("**WCCG**") and Wethje Entwicklungs GmbH ("**WEG**")	*Shareholding* CMS and Forgu GmbH shall hold the shares in each of WCCG and WEG in the ratio of 50:50 either by themselves or through their nominees or affiliates. Until December 31, 2014, neither CMS nor Forgu GmbH shall, without the prior written consent of the other, which consent shall not be unreasonably withheld, transfer any of the shares held by it in WCCG and WEG. *Management* Until December 31, 2014, the management of WCCG and WEG shall consist of two managing directors, whereby both the managing directors shall be nominees of CMS. The chairman of the board of directors of WCCG and WEG shall be one of the nominees of CMS. *Non-Compete* CMS and Forgu GmbH shall consider and shall cause their affiliates to consider the business interests of WCCG and WEG and the business interests of the Peguform Group in case they cooperate with competitors. Prior to CMS or Forgu GmbH or any of their respective affiliates agreeing to cooperation with any competitor, the respective party shall inform the other party of its intentions and the parties shall undertake best efforts to find a solution that balances the interests of CMS, Forgu GmbH, WCCG and WEG in the best possible manner. *Term* The agreement shall remain in force as long as CMS and Forgu GmbH shall hold the shares in each of WCCG and WEG in accordance with the terms of

Date of the joint venture agreement	Parties to the joint venture agreement	Purpose of the joint venture	Key terms of the joint venture agreement
			the agreement.

[*] The shareholding stated was agreed upon pursuant to an amendment dated October 18, 2005.
[**] Pursuant to an addendum agreement dated December 14, 2009, certain terms of the joint venture agreement dated July 21, 1997 were amended so as to, among other things, alter the capital structure of KIML.
[***] Pursuant to a memorandum for amendment of the joint venture agreement dated March 22, 2010, the joint venture agreement dated August 9, 2007 was amendment such that certain products could be manufactured for the consumption of Nissan Motor India. This amendment was with effect from April 1, 2009
[1] AIM purchased by our Company from the erstwhile MCPL as part of the MCPL Amalgamation Scheme with effect from February 1, 2007.
[2] MTTL purchased by our Company from the erstwhile MCPL as part of MCPL Amalgamation Scheme with effect from February 1, 2007.
[^]SHM has subsequently transferred its shares to its affilates

Details of the interest of our Company in the joint ventures

The joint ventures formed pursuant to the agreements mentioned in "— Other material agreements" on page 209, have been consolidated in the financial statements of our Company. Hence, these joint ventures have been formed for the ultimate benefit of our Company. The indirect shareholding of our Company in these joint ventures, which are in existence as of the date of this Red Herring Prospectus, have been provided hereinbelow:

Date of the joint venture agreement	Parties to the joint venture agreement	Name of the joint venture formed	Indirect shareholding of the Company in the joint venture
May 14, 2004	1) Woco Franz Josef Holding GmbH 2) Woco Industrietechnik GmbH 3) MSSL	Woco Motherson Advanced Rubber Technologies Limited	12.04%[(1)]
July 21, 1997	Kyungshin Industrial Corporation Limited and MSSL	Kyungshin Industrial Motherson Private Limited (now "Kyungshin Industrial Motherson Limited")	18.06%[(2)]
August 9, 2007	Calsonic Kansei Corporation and MSSL	Calsonic Kansei Motherson Auto Products Limited	17.70%[(3)]

[(1)] The Company holds 36.1% of the equity share capital of MSSL, which in turn holds 33.33% of the equity share capital of Woco Motherson Advanced Rubber Technologies Limited
[(2)] The Company holds 36.1% of the equity share capital of MSSL, which in turn holds 50% of the equity share capital of Kyungshin Industrial Motherson Limited
[(3)] The Company holds 36.1% of the equity share capital of MSSL, which in turn holds 49% of the equity share capital of Calsonic Kansei Motherson Auto Products Limited

II. ***Agreements pertaining to the acquisition of the Peguform Group and Wethje Companies***

i) Framework Agreement dated July 13, 2011 entered among our Company, Peguform Beteiligungs GmbH, UIAG Automotive Beteiligungs GmbH and Cross Motorsport Systems AG and others ("Framework Agreement")

Our Company and MSSL, through Forgu GmbH and MSSL GmbH, have entered into a Framework Agreement with PF Beteiligungsverwaltungs GmbH (formerly, Peguform Beteiligungs GmbH) ("**Seller I**"), UIAG Automotive Beteiligungs GmbH ("**Seller II**") and Cross Motorsport Systems AG, dated July 13, 2011 for the purposes of acquiring the Peguform Group, an international supplier of interior and exterior products for the automotive and related industries. The completion of the acquisition of the equity interest in Peguform and the Wethje Companies was subject to the satisfaction of the following conditions set out in the Framework Agreement:

- Obtaining the necessary anti trust approvals for the acquisition from the relevant anti trust authorities;
- Obtaining an approval from the RBI for the funding and acquisition structure contemplated under the Framework Agreement;
- Obtaining certain declarations from banks identified in the Framework Agreement, including (i) approving the transactions contemplated under the Framework Agreement and (ii) releasing, among others, Peguform Beteiligungs GmbH and Cross Industries AG from any liability with respect to the ownership declaration and the surety declaration, respectively;

- The joint venture partner in Celulosa Fabril (Cefa) S.A. (Zaragoza, Spain) renouncing its right of first refusal; and
- The registration of the merger of Peguform Beteiligungs-Verwaltung GmbH into PFBeteiligungs GmbH, followed by the merger of PFHolding GmbH into Peguform Beteiligungs GmbH, with the Commercial Register in Austria.

As of the date of this Red Herring Prospectus, the abovementioned conditions have been complied with. To this effect, a notarial deed dated November 22, 2011 has been entered into between Seller I, Seller II, Forgu GmbH (as "**Purchaser I**" and "**Purchaser II**"), MSSL GmbH ("**Purchaser III**"), Samvardhana Motherson B.V ("**Assignee I**") and Samvardhana Motherson Global Holdings Limited ("**Assignee II**") to effectuate the assignment and transfer by Purchaser II of the entire contractual position as Purchaser II under the Framework Agreement to Assignee I, and the assignment and transfer by MSSL GmbH of the entire contractual position as Purchaser III under the Framework Agreement to Assignee II.

ii) Shareholder Agreement dated November 22, 2011 between PF Beteiligungsverwaltungs GmbH ("PFBG"), Samvardhana Motherson B.V. ("SMBV") and Peguform Iberica S.L.U ("Peguform Iberica")

SMBV has entered into a shareholder's agreement with PFBG and Peguform Iberica on November 22, 2011. Pursuant to the agreement, unless otherwise agreed between SMBV, PFBG and Peguform Iberica or except in the event of dilution of shareholding on account of any of SMBV or PFBG not subscribing to the increase in the shareholding offered to them in proportion to the existing shareholding, PFBG and SMBV shall hold the shares in Peguform Iberica in the ratio of 20:80 of the share capital either by themselves or through their nominees/ affiliates. In the event of any increase in the registered capital of Peguform Iberica, any newly issued shares will be offered to SMBV and PFBG in the proportion to their respective paid-up shareholding in Peguform Iberica.

Within the first three years after the closing date (i.e. November 23, 2011), any transfer of shares to any third party, which is not as per certain stated conditions, shall require the prior written consent of the other Party. Further, in the event, SMBV opts to sell its shares in Peguform Iberica to a third party, PFBG shall be entitled to exercise its right to tag-along with SMBV for the sale of the shares held by it, or SMBV may require PFBG and its affiliates to sell all of its shares in Peguform Iberica with SMBV, at the same price and same terms as proposed by SMBV to the third party purchaser.

After the expiry of two years from November 23, 2011 or twelve months after the effective listing of SMPL on a stock exchange in India or elsewhere, whichever is earlier, PFBG shall have the right to require SMBV to purchase all shares held by PFBG and its affiliates. Further, SMBV shall also have the right to require PFBG and its affiliates to sell the shares held by it in Peguform Iberica in its favour. The price of such purchase or sale, as applicable, shall be as determined in accordance with the terms of the agreement.

Peguform Iberica will be managed by a board of directors comprising five members. The chairman, chief executive and chief financial officer shall be nominated by SMBV and appointed by the board of directors of Peguform Iberica and will be subject to removal from office at the election of SMBV.

Further, with respect to any shareholders' meetings or resolutions regarding the following, the consent of PFBG shall be required:

- Amendment of the articles of association, if and to the extent the legal position of PFBG is affected;
- Any reduction of capital;
- Transfer of all or nearly all of Peguform Iberica's business or assets;
- Liquidation, dissolution or voluntary winding up of Peguform Iberica;
- The merger/amalgamation into or with a company, which is not a part of the Peguform-group;
- Any demerger/spin off of Peguform Iberica;
- Any change of the legal form of Peguform Iberica; or
- A squeeze out of PFBG.

iii) Shareholder agreement dated November 22, 2011 between PF Beteiligungsverwaltungs GmbH ("PFBG"), Forgu GmbH, Samvardhana Motherson Global Holdings Limited ("SMGHL") and Peguform GmbH

SMGHL has entered into a shareholder's agreement with PFBG, Forgu GmbH and Peguform GmbH on November 22, 2011. Pursuant to the agreement, unless otherwise agreed between SMGHL, Forgu GmbH, PFBG and Peguform GmbH, or except in the event of dilution of shareholding on account of any of them not subscribing to the increase in the shareholding offered to them in proportion to the existing shareholding, PFBG shall hold 20% while SMGHL and Forgu GmbH shall together hold 80% of the share capital of Peguform GmbH, either by themselves or through their nominees/affiliates. In the event of any increase in the registered capital of Peguform GmbH, any newly issued shares will be offered to PFBG, SMGHL and Forgu GmbH on the other in the proportion to their respective paid-up shareholding in Peguform GmbH.

Within the first three years after the closing date (i.e. November 23, 2011), any transfer of shares to any third party, which is not allowed as per certain stated conditions, shall require the prior written consent of the other Party. Further, in the event, Forgu GmbH opts to sell its shares in Peguform GmbH to a third party, PFBG shall have a right to exercise its right to tag-along with Forgu GmbH for the sale of the shares held by it, or Forgu GmbH may require PFBG and its affiliates to sell all of its shares in Peguform GmbH with Forgu GmbH, at the same price and same terms as proposed by Forgu GmbH to the third party purchaser.

After the expiry of two years from November 23, 2011 or twelve months after the effective listing of SMPL on a stock exchange in India or elsewhere, whichever is earlier, PFBG shall have the right to require Forgu GmbH to purchase all shares held by PFBG and its affiliates. Further, Forgu GmbH shall also have the right to require PFBG and its affiliates to sell the shares held by it in Peguform GmbH in its favour. The price of such purchase or sale, as applicable, shall be as determined in accordance with the terms of the agreement.

Peguform GmbH shall have one or more managing directors. As long as Peguform GmbH is subject to employee codetermination, the managing directors shall be appointed and recalled by the supervisory board, otherwise by a shareholders' meeting. PFBG, SMGHL and Forgu GmbH shall exercise their respective voting rights as shareholders in shareholders' meetings of Peguform GmbH and take such other steps as are necessary to ensure, *inter alia*, the following:

(i) that the supervisory board of Peguform GmbH shall consist of six members of the shareholders; and

(ii) that four of such members of the supervisory board shall be nominees of SMGHL and Forgu GmbH, and two shall be nominees of PFBG. The chairman of the supervisory board will be one of the nominees of SMGHL or Forgu GmbH.

Further, with respect to any shareholders' meetings or resolutions regarding the following, the consent of PFBG shall be required:

- Amendment of the articles of association, if and to the extent the legal position of PFBG is affected;
- Any reduction of capital;
- Transfer of all or nearly all of Peguform GmbH's business or assets;
- Liquidation, dissolution or voluntary winding up of Peguform GmbH;
- The merger/amalgamation into or with a company, which is not a part of the Peguform-group;
- Any demerger/spin off of Peguform GmbH;
- Any change of the legal form of Peguform GmbH; or
- A squeeze out of PFBG.

OUR MANAGEMENT

Under the Articles of Association our Company is required to have not less than three Directors and not more than twelve Directors. We currently have six Directors.

The following table sets forth details regarding our Board of Directors as of the date of filing of the Red Herring Prospectus:

Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships/Partnerships/Trusts in which the Director is a trustee
Vivek Chaand Sehgal Executive Chairman and Executive Director Address: 22, Gwin Gana Crescent, Glen Waverly, Victoria 3150, Australia Occupation: Business Nationality: Australian Term: Liable to retire by rotation DIN: 00291126	55	*Other directorships* • Motherson Sumi Systems Limited • Kyungshin Industrial Motherson Limited • Motherson Auto Engineering Service Limited • Motherson Sumi Infotech and Designs Limited • Fritzmeier Motherson Cabin Engineering Limited • Calsonic Kansei Motherson Auto Products Limited • MSSL Global RSA Module Engineering Limited • Anest Iwata Motherson Limited • MSSL Ireland Private Limited • MSSL Mideast (FZE) • Motherson Electrical Wires Lanka Private Limited • WOCO Motherson Limited (FZC) • A Basic Concepts Designs Pty Limited • ATAR Mauritius Private Limited • JSRR Holdings (M) Pvt. Limited • MSSL Mauritius Holdings Limited • MAS Middle East Limited (FZE) • Radha Rani Holdings Pte Ltd • MSSL (S) Pte Limited • MSSL (GB) Limited • Magneti Marelli Motherson Auto System Limited • Global Environment Management (FZC) • Motherson Techno Tools Mideast FZE • Motherson Wiring System Limited FZE • Samvardhana Motherson Finance Services Cyprus Limited • Samvardhana Motherson Finance Services INC • Motherson Techno Tools Limited • Samvardhana Motherson Holding (M) Private Limited • Samvardhana Motherson Global Holdings Limited • SMR Automotive Holding Hong Kong Limited • SMR Automotive Mirros Parts and Holding UK Limited • SMR Automotive Technology Holding Cyprus Limited • Samvardhana Motherson Reflectec Group Holdings Limited • SMR Hyosang Automotive Limited • SMR Poong Jeong Automotive Mirrors Korea Limited • Motherson Auto Limited • SCCL Infra Projects Limited • MSSL Japan Limited • SCCL Global Project (FZE) • SMR Automotives Systems Macedonia Dooel Skopje • Magneti Marelli Motherson India Holding B.V. *Partnership Firms*

Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships/Partnerships/Trusts in which the Director is a trustee
		Motherson (*Partner*)
Laksh Vaaman Sehgal Non- Executive, Non-Independent Director Address: B-300, New Friends Colony, New Delhi 110 025, India Occupation: Business Nationality: Australian Term: Liable to retire by rotation DIN: 00048584	29	*Other directorships* • Motherson Advanced Tooling Solutions Limited • Motherson Air Travel Agencies Limited • Motherson Auto Limited • Tigers Connect Travel Systems and Solutions Limited • Motherson Techno Tools Limited • SMR Automotive Systems India Limited • Global Environment Management (FZC) • Samvardhana Motherson Finance Services INC • SMR Automotive Holding Hong Kong Limited • SMR Automotive Yancheng Company Limited • SMR Automotive Beijing Company Limited • Ningbo SMR Huaxiang Automotive Mirrors Limited • SMR Automotive Systems France S.A • SMR Automotive Mirrors Stuttgart GmbH • SMR Automotive Beteilligungen Deutschland GmbH • SMR Automotive Mirror Technology Holding Hungary Kft • SMR Automotive Patents S.a.R.I • SMR Automotive Services Portchester Limited • SMR Automotive Mirror Services UK Limited • SMR Automotive Mirrors UK Limited • SMR Automotive Mirror Part and Holdings UK Limited • SMR Automotive Mirror Systems Holding Deutschland GmbH • SMR Automotive Brasil Limited • SMR Automotive Mirror Technology Holding Hungary Bt • SMR Automotive Systems (Thailand) Limited • Motherson Sumi Systems Limited *Partnership Firms* • Ganpati Auto Industries (*Partner*) • Vaaman Auto Industry (*Partner*) • Motherson (*Partner*)
Hiroto Murai Non- Executive, Non-Independent Director Address: 408, Higashi Suma 8, Chou- 5 Ban, Kouto-ku, Tokyo 1360 074, Japan Occupation: Service Nationality: Japanese Term: Liable to retire by rotation DIN: 00735880	45	*Other directorships* • Motherson Sumi Systems Limited • AAPICO Hitech Public Company Limited

Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships/Partnerships/Trusts in which the Director is a trustee
Hiroshi Morimoto Non- Executive, Independent Director Address: 2-18-24, Minoshi Osaka, Japan 5620044 Occupation: Consultancy Nationality: Japanese Term: Liable to retire by rotation DIN: 02657113	71	-
Sushil Chandra Tripathi Non- Executive, Independent Director Address: No. 27, Sector 15-A, Noida, Gautam Budh Nagar, Uttar Pradesh, 201301 Occupation: Retired from service Nationality: Indian Term: Liable to retire by rotation DIN: 00941922	66	• IndusInd Bank Limited • Reliance Capital Asset Management Limited • IL&FC Infrastructure development Corporation Limited • IL&FS Energy Development Company Limited • Shipping Corporation of India Limited • Gammon Infrastructure Projects Limited • Kailash Healthcare Limited • The State Trading Corporation of India Limited
Satya Pal Talwar Non- Executive, Independent Director Address: 163, 16th Floor, Beach Tower, PB Marg, Prabhadevi, Mumbai, 400025 Occupation: Consultancy Nationality: Indian Term: Liable to retire by rotation DIN: 00059681	72	• Reliance Life Insurance Company Limited • Reliance General Insurance Company Limited • Crompton Greaves Limited • Reliance Communications Limited • Videocon Industries Limited • Housing Development and Infrastructure Limited • Reliance Infratel Limited • Kalpatru Power Transmission Limited • Uttam Galva Steels Limited • Hotel Queen Road Private Limited • GTL Infrastructure Limited • SPS Ispat and Power Limited

The Directors are in compliance with Section 275 read with Section 278 of the Companies Act. Section 275 of the Companies Act provides that no person shall, except in certain cases, hold office at the same time as director in more than 15 companies. Section 278, *inter alia,* provides that in calculating the number of companies as required under Section 275, private companies which are neither subsidiaries nor holding companies of public companies, shall be excluded.

None of the Directors are related to each other, except as follows:

(i) Vivek Chaand Sehgal is the father of Laksh Vaaman Sehgal.

Brief Biographies

Vivek Chaand Sehgal

Vivek Chaand Sehgal is our Promoter and Director, who established Motherson in 1975 and Motherson Sehgal Cables in 1977. He was appointed as the Executive Chairman of our Company on September 14, 2011. He is currently the Chairman of the Motherson group and the Vice Chairman and Director of MSSL. He is instrumental in the overall functioning and operation of the Motherson group. Being associated with the Motherson group since the beginning of his career, he has over 36 years of experience in the auto industry.

Laksh Vaaman Sehgal

Laksh Vaaman Sehgal was appointed as a Director of our Company on December 9, 2004. Laksh Vaaman Sehgal holds a bachelor's degree in Business Administration from Boston University a master's degree in Finance at Columbia University. He also serves as the Chief Executive Officer of SMR. Prior to his appointment as Chief Executive Officer of SMR, he was a management trainee at the merger and acquisition analysis, finance and legal department of WOCO Industrietechnik GmbH in 2003 and a management trainee in the group finance and production department of SWS from 2004 to 2005. He has over eight years of experience in the auto industry, being associated with the Motherson group since the beginning of his career.

Hiroto Murai

Hiroto Murai was appointed as a Director of our Company on June 4, 2009. He has been working in Sojitz Corporation since 1989. Presently he looks at the marketing and trading division for Automotive Business of Sojitz Corporation.

Hiroshi Morimoto

Hiroshi Morimoto was appointed as an Independent Director of our Company on June 1, 2009. He has over 40 years of experience in the industry. He has previously served Sumitomo Electric Industries as Senior Managing Officer and later as Executive Vice President, being responsible for the overseeing the electric wire production division.

Sushil Chandra Tripathi

Sushil Chandra Tripathi was appointed as an Independent Director of our Company on September 14, 2011. He is a fellow of Institution of Electronics and Telecom Engineers (India), a fellow of Energy Institute (United Kingdom), a life member of Indian Institute of Public Administration, a professional member of All India Management Association, the Supreme Court Bar Association and Indian Council of Arbitration. Prior to his appointment as an Independent Director, he served as an Assistant Professor at Allahabad University and then the Indian Administrative Services. He is currently, the Chairman of Board of Governors, National Institute of Technology, Karnataka.

Satya Pal Talwar

Satya Pal Talwar was appointed as an Independent Director of our Company on September 14, 2011. He is a certified associate of the Indian Institute of Banking and Finance and a member of the Indian Council of Arbitration. Prior to his appointment as an Independent Director of our Company, he has served, *inter alia*, as the Chairman and Managing Director of the Oriental Bank of Commerce, the Chairman and Managing Directors of the Union Bank of India, the Chairman and Managing Director of the Bank of Baroda. Further, he has previously served as the Deputy Governor of the RBI and the SEBI as a board member.

None of the Directors is or was a director of any listed company during the last five years preceding the date of filing of this Red Herring Prospectus and until date, whose shares have been or were suspended from being traded on BSE or NSE, during the term of their directorship in such companies.

Except as stated herein-below, none of the Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the term of their directorship in such companies. The following table

sets forth the details of MothersonSumi Infotech & Designs Limited, the securities of which were delisted from the stock exchange(s), in which one of our Directors, Vivek Chaand Sehgal, was a director:

S.no.	Particulars	Details
1.	Name of company	MothersonSumi Infotech & Designs Limited
2.	Names of the stock exchanges(s) on which the company was listed	Delhi Stock Exchange Limited
3.	Date of delisting on the stock exchange(s)	March 31, 2009
4.	Whether the delisting was compulsory or voluntary	Voluntary delisting
5.	Whether the company has been relisted	The company has not been relisted
6.	Term (along with relevant dates) of the director on the above mentioned company	Vivek Chaand Sehgal was appointed on January 30, 2001 and his term provided for retirement by rotation

Terms of appointment of the Directors

Except as provided in our Articles and as otherwise disclosed in this section, there are no terms of appointment of our Directors.

Details of service contracts

There are no service contracts entered into with any Directors for provision of benefits or payments of any amount upon termination of employment.

Payment or benefit to Directors of our Company

Executive Directors

Our executive Directors are currently not entitled to any remuneration.

Non-Executive Directors

Apart from a sitting fee of ₹ 20,000 paid for attending the meeting of our Board of Directors or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses, if any, payable to them under our Articles, our non-executive Directors currently do not receive any other remuneration from our Company. The sitting fee for our Directors has been fixed pursuant to a resolution dated August 28, 2009 passed by our Board of Directors.

Remuneration payable with effect from financial year 2011-12

Pursuant to resolution passed by the shareholders' of our Company at the EGM dated September 8, 2011, a sum not exceeding 1% per annum of the net profits of our Company calculated in accordance with applicable provisions of the Companies Act is required to be paid to and distributed amongst the Directors or some or any of them (other than a managing director and the whole time director, if any) equally and in such amounts or proportions as may be directed by the Board of Directors. As per the resolution, such payments shall be made in respect of the profits of our Company for each year of the period of five years effective from the financial year 2011-2012.

Shareholding of Directors

The shareholding of the Directors as of the date of this Red Herring Prospectus is set forth below:

Name of Director	Number of Equity Shares held
Vivek Chaand Sehgal	117,103,476
Laksh Vaaman Sehgal	105,014,384
Hiroshi Morimoto	51,760

The Articles of Association provide that our Directors need not hold any qualification shares.

Borrowing Powers of Board

In accordance with the Articles of Association, the Board of Directors may, from time to time, at its discretion, by a resolution passed at a meeting of the Board of Directors, accept deposits from members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purpose of our Company. Provided however, where the money to be borrowed together with the money already borrowed (apart from temporary loan obtained from our Company's bankers in the ordinary course of business) exceeds the aggregate of the paid up capital of our Company and its free reserves (not being reserves set apart for any specific purpose) the Board of Directors shall not borrow such moneys without the consent of our Company in a general meeting.

Corporate Governance

The provisions of the Listing Agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to our Company immediately upon the listing of the Equity Shares with the Stock Exchanges. Our Company is in compliance with the requirements of the Listing Agreement in respect of corporate governance including constitution of the Board of Directors and committees thereof.

Committees of the Board

The details of the audit committee, remuneration committee, share transfer and investor grievance committee and the IPO committee of the Board of Directors are as follows:

Audit Committee

The audit committee was constituted by a meeting of the Board of Directors held on September 14, 2011. The members of the audit committee are:

1. Sushil Chandra Tripathi (Chairman)
2. Satya Pal Talwar
3. Hiroshi Morimoto
4. Laksh Vaaman Sehgal

The scope and function of the audit committee is in accordance with section 292A of the Companies Act and clause 49 of the Listing Agreement and its terms of reference include the following:

a) Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
b) Recommending to the Board of Directors, the appointment, re-appointment and removal of the statutory auditor, fixation of audit fees and approval for payment for any other services;
c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
d) Reviewing, with the management, the annual financial statements before submission to the Board of Directors for approval, with particular reference to:
    - Matters required to be included in the Director's responsibility statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act;
    - Changes, if any, in accounting policies and practices and reasons for the same;
    - Major accounting entries involving estimates based on the exercise of judgment by management;
    - Significant adjustments made in the financial statements arising out of audit findings;
    - Compliance with listing and other legal requirements relating to financial statements;
    - Disclosure of any related party transactions; and
    - Qualifications in the draft audit report.
e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
f) Reviewing, with the management, the statement of uses/ application of funds raised through an issue

(public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board of Directors to take up steps in this matter;

g) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

h) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

i) Discussion with internal auditors any significant findings and follow up there on;

j) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

k) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

l) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;

m) To approve the appointment of the Chief Financial Officer (i.e. the whole time Finance Director or any other person heading the finance functions or discharging the function) after assessing the qualifications, experience and background, etc. of the candidates;

n) Carrying out any other function as is mentioned in the terms of reference of the audit committee;

o) To review the functioning of the whistle blower mechanism, in case the same is existing; and

p) All other matters incidental to the above.

The powers of the audit committee shall include the power:

a) To investigate any activity within its terms of reference.

b) To have full access to information contained in the records of the company.

c) To obtain external professional advice, if necessary.

The audit committee is required to meet at least four times in a year under Clause 49 of the Listing Agreement.

Remuneration Committee

The remuneration committee was constituted by a meeting of the Board of Directors held on September 14, 2011. The members of the remuneration committee are:

1. Sushil Chandra Tripathi (Chairman)
2. Satya Pal Talwar
3. Hiroshi Morimoto
4. Hiroto Murai

The terms of reference of the remuneration committee include the following:

a) To fix and finalise remuneration including salary, perquisites, benefits, bonuses, allowances and pension rights, etc.;

b) Fixed and performance linked incentives along with the performance criteria;

c) Increments and promotions;

d) Service contracts, notice period, severance fees;

e) Ex-gratia payments;

f) Reviewing, assessing and recommending the appointment of executive/ non-executive Directors and senior employees;

g) Reviewing the remuneration packages of executive/ non-executive Directors and senior employees;

h) Recommending payment of compensation in accordance with the provisions of the Companies Act;

i) Considering the recommending grant of employees stock option, if any, and administration and superintendence of the same;

j) Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by the remuneration committee; and
k) All other matters incidental to the above in respect of any Remuneration paid and/or payable to manager and/or whole time Director and/or managing Director.

Share Transfer and Investor Grievance Committee

The share transfer and investor grievance committee was constituted by a meeting of the Board of Directors held on September 14, 2011. The members of the share transfer and investor grievance committee are:

1. Vivek Chaand Sehgal (Chairman)
2. Laksh Vaaman Sehgal
3. Sushil Chandra Tripathi

The terms of reference of the share transfer and investor grievance committee are:

a) To confirm, approve and register transfer/ transmission of shares;
b) To sub-divide, consolidate and issue share certificates;
c) To authorise fixations of common seal of the Company; and
d) To issue share certificates in place of those which are damaged or in which pages are completely exhausted provided the original certificates are surrendered to the Company.

IPO Committee

The IPO committee was constituted by a meeting of the Board of Directors held on September 14, 2011. The members of the IPO committee are:

1. Vivek Chaand Sehgal
2. Laksh Vaaman Sehgal
3. Sushil Chandra Tripathi

The terms of reference of the IPO committee include the following:

a) To decide all matters relating to the public offering and allotment of shares of our Company in consultation with the stock exchanges concerned and SEBI and also for issue of share certificates in accordance with the relevant rules and regulations;
b) To obtain outside legal or other professional advice including from India and international legal counsel and financial and other advisors as necessary;
c) To secure the attendance of outsiders with relevant expertise, if it considers necessary;
d) To decide on the timing, pricing and all the terms and conditions of the issue of the shares for the public issue, including the price, and to accept any amendments, modifications, variations or alterations thereto;
e) To appoint and enter into arrangements with the BRLM(s), underwriters, syndicate members, brokers, escrow collection bankers, registrars, IPO grading agency, monitoring agency, printers, advertising agencies, legal advisors and any other agencies or persons or intermediaries to the public issue and to negotiate and finalise the terms of their appointment, including but not limited to execution of the BRLM(s) mandate/engagement letter, negotiation, finalization and execution of the agreement with the BRLM(s), agreement with the registrar to the offer etc;
f) To finalise, settle, execute and deliver or arrange the delivery of the draft red herring prospectus, the red herring prospectus, the final prospectus syndicate agreement, underwriting agreement, escrow agreement and all other documents, deeds, agreements and instruments as may be required or desirable in relation to the public offer;
g) To open accounts with the bankers to the public issue, such accounts as are required for the offer and by the regulations issued by SEBI;
h) To issue advertisements in such newspapers as it may deed fit and proper about the future prospectus of our Company and the proposed issue conforming to the regulations and guidelines issued by SEBI;

i) To do all such acts, deeds, matters and things and execute all such other documents, etc. as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, seeking approval from the Reserve Bank of India or the Government of India or any other statutory or regulatory authority as may be necessary, finalization of the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of share certificates in accordance with the relevant rules;

j) To do all such acts, deeds and things as may be required to dematerialize the equity shares of the company and to sign agreements, and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) Limited and such other agencies, authorities or bodies as may be required in this connection;

k) To make applications for listing of the equity shares in the stock exchanges and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s)

l) To do all acts and deeds, and execute all documents, agreements, forms, certificates, undertakings, letter and instruments as may be necessary for the purpose of or in connection with the proposed offer;

m) To authorize and approve the incurring of expenditure and payment of fees in connection with the proposed offer;

n) To submit undertaking/certificates or provide clarifications to the SEBI and the stock exchange where the equity shares are proposed to be listed; and

o) To settle all questions, difficulties or doubts that may arise in regard to such issues or allotment as it may, in its absolute discretion deem fit.

Interest of Directors

The Directors may be deemed to be interested to the extent of any fees and remuneration payable to them by our Company as well as to the extent of any reimbursement of expenses payable to them, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. The Directors may also be regarded as interested in the Equity Shares, if any, held by them. Except as stated in the section titled "Our Management – Shareholding of Directors" on page 220, our Directors do not hold any Equity Shares. Further, Vivek Chaand Sehgal and Laksh Vaaman Sehgal are also interested in our Company as Promoters.

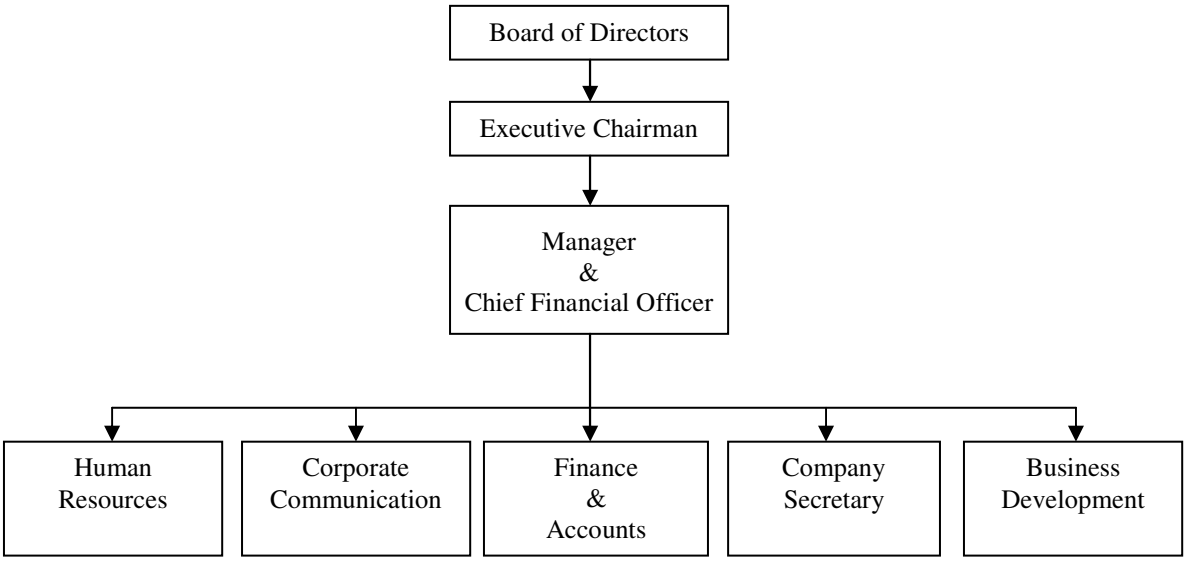
The Directors have no interest in any property acquired by our Company within the preceding two years from the date of this Red Herring Prospectus. Further, the Directors are not interested in any transaction with our Company in relation to acquisition of land, construction of building and supply of machinery.

Except for the right of Sojitz to appoint a nominee Director, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which the Directors or the key management personnel were selected as director or member of senior management.

Changes in the Board of Directors in the last three years

Name	Date of Appointment/ Change/ Cessation	Reason
Renu Sehgal	September 1, 2008	Appointment
Bimal Dhar	September 1, 2008	Appointment
Chandra Shekhar Panda	September 1, 2008	Appointment
Hiroshi Morimoto	June 1, 2009	Appointment
Hiroto Murai	June 4, 2009	Appointment
Ashok Tandon	September 14, 2011	Resignation
Renu Sehgal	September 14, 2011	Resignation
Bimal Dhar	September 14, 2011	Resignation
Satya Pal Talwar	September 14, 2011	Appointment
Sushil Chandra Tripathi	September 14, 2011	Appointment
Chandra Shekhar Panda	September 27, 2011	Resignation

Management Organisation Chart



Key Management Personnel

Provided below are the details of our key management personnel, as of the date of this Red Herring Prospectus. None of our key management personnel are related to each other.

Ashok Tandon, our manager and chief financial officer**,** aged 61 years, carries the overall responsibility of day-to-day functioning of our Company. He has been associated with our Company since incorporation. He holds a bachelor's degree in engineering from Sardar Patel University. He has over 36 years' experience in the industry. Prior to joining our group, he served the State Bank of India, from which he sought voluntary retirement in May 2003. The remuneration paid to him by our Company in Fiscal 2012 was ₹ 3,283,000.

Narendra Pal Singh, corporate head (human resources), aged 56 years, carries the overall responsibility of human resources and administration of our Company. He has been associated with our group since 2007. He holds a bachelor's degree in arts from Delhi University, a bachelor's degree in law from Meerut University and a master's degree in Social Work from Agra University. He has also worked for two months as a research investigator in a research project entitled "An evaluative study of Destitute Child Welfare Agencies in U.P. coming under the grants-in-aid scheme of the Government of India" which was assigned to the Institute of Social Sciences, Agra. Prior to joining our group, he has served in J.K. Synthetics Limited, The Atlas Cycle Industries Limited, Talbros Automotive Components Limited and Shriram Pistons & Rings Limited. He has over 33 years of experience in the industry. The remuneration paid to him by our Company in Fiscal 2012 was ₹ 3,363,710.

Pooja Mehra, our compliance officer and company secretary, aged 35 years, carries the overall responsibility of company secretarial and legal affairs of our Company. She has been associated with our group since 1999. She holds a bachelor's degree in Commerce from Delhi University. She has qualified an online certificate course in 'Intellectual Property Rights and Information Technology in the Internet Age' from the Indian Law Institute. She is also a fellow of the Institute of Company Secretaries of India. She has over 13 years' experience in the industry. The remuneration paid to her by our Company in Fiscal 2012 was ₹ 1,125,000.

Dharmanshu Chaturvedi, our deputy general manager (corporate communications), aged 42 years, carries the responsibility of public relations activities of our Company and our group. He has been associated with our group since 1997. He holds a bachelor's degree in science and a master's degree in business administration from Jiwaji University, Gwalior, Madhya Pradesh. Prior to joining our group, he has worked in several organisations including

at Marco Marketing and Research Company, Bothra Manufacturing Co. Private Limited as assictant manager (marketing), at A. V. Network as marketing executive, at Hindustan Cables Limited as marketing officer and at ARM Limited as marketing officer. He has over 18 years of experience in the industry. The remuneration paid to him by our Company in Fiscal 2012 was ₹ 2,100,000.

Arvinder Singh Gill, our vice president (business development- climate control), aged 51 years, carries the responsibility of overseeing the business development of our Company. He has been associated with our group since 1999. He holds a master's degree in business administration from Indira Gandhi National Open University and a Ph.D. from the Indian Institute of Technology, Delhi. He has receieved a certificate on executive masters in international trade from the Indian Institute of Foreign Trade and has passed the requisite examination. Prior to joining our Company, he has worked in the automobiles, polymer, tyre and petro chemicals industry and has a combined experience of around 19 years in these industries. The remuneration paid to him by our Company in Fiscal 2012 was ₹ 5,500,000.

All the abovementioned key management personnel of our Company are on the rolls of our Company. Further, all the key management personnel mentioned above are officers of our Company vested with executive powers and function at a level immediately below the Board of Directors.

Other Key Personnel

The following personnel are not on the rolls of our Company. However, they are key to our functions and business operations.

Chandra Shekhar Panda, Senior Vice President (Motherson Auto Limited)**,** aged 56 years, carries the overall responsibility of the corporate and legal affairs of our group. He has been associated with our group since 2008. He holds a bachelor's degree in science from Utkal University and a bachelor's degree in law from University of Calcutta. He has also qualified the examination held by the Institute of Cost and Works Accountants of India and is a fellow of the Institute of Company Secretaries of India. He has over 30 years' experience in the industry. Prior to joining our group, he worked with Indian Iron and Steel Company Limited, Larsen and Toubro Limited, Paradeep Phosphates Limited, Orissa State Cashew Development Corporation Limited, Modi Spinning and Weaving Mills Limited, Mekaster Telematics Limited, Modipon Limited and Indofil Chemicals Company. He was not paid any remuneration by our Company in Fiscal 2012.

Rajesh Srivastava, Assistant Vice President (Motherson Auto Limited)**,** aged 46 years, carries the overall responsibility of overseeing the accounts and finance of our Company. He has been associated with our group since 2006. He holds a bachelor's degree in commerce from Kanpur University and is an associate of the Institute of Chartered Accountants of India. He has over 25 years' experience in the industry. Prior to joining our group, he served Modipon Fibres Company, Uttar Pradesh State Spinning Mills Company Limited and Vespa Car Company Limited. He was not paid any remuneration by our Company in Fiscal 2012.

Manoj Maheshwari, General Manager – Taxation and Corporate Affairs (Motherson Auto Limited)**,** aged 40 years, carries the overall responsibility of overseeing the taxation, accounts and secretarial functions of Motherson Auto Limited. He has been associated with our group since 2005. He holds a bachelor's degree in commerce from Rajasthan University and is a fellow member of the Institute of Chartered Accountants of India and also a fellow member of the Institute of Company Seretaries of India. He has over 18 years' experience in the industry. Prior to joining our group, he served Bharat Aluminium Company Limited, Sterlite Industries (India) Limited and SPL Limited. He was not paid any remuneration by our Company in Fiscal 2012.

Shareholding of key management personnel

Except as stated hereinbelow, none of our key management personnel hold any Equity Shares:

S.no	Name of key management personnel	No. of Equity Shares
1.	Ashok Tandon	40,100
2.	Narendra Pal Singh	42,000
3.	Pooja Mehra	28,000

S.no	Name of key management personnel	No. of Equity Shares
4.	Dharmanshu Chaturvedi	3,500
5.	Arvinder Singh Gill	58,371
Other Key Personnel		
6.	Chandra Shekhar Panda	22,000[#]
7.	Rajesh Srivastava	60,000
8.	Manoj Maheshwari	90,000

[#] *Out of 22,000 Equity Shares, 12,000 Equity Shares are held jointly with Jyotsna Panda and the remaining 10,000 Equity Shares are held on behalf of Chandra Shekhar Panda HUF.*

Bonus or profit sharing plan of the key management personnel

There is no bonus or profit sharing plan for our key management personnel.

Interests of key management personnel

The key management 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, reimbursement of expenses incurred by them during the ordinary course of business. Our key management personnel may also be regarded as interested in the Equity Shares held by them.

None of the key management personnel have been paid any consideration or benefit of any nature from our Company, other than their remuneration.

Changes in the key management personnel

The changes in the key management personnel in the last three years are as follows:

Name	Date of change	Reason
Dharmanshu Chaturvedi	April 1, 2009	Appointment
Ashok Tandon	September 15, 2011	Appointment
Narendra Pal Singh	August 1, 2011	Appointment
Pooja Mehra	July 1, 2011	Appointment
Arvinder Singh Gill	April 4, 2011	Appointment
Himanshu Bindal	September 14, 2011	Resignation

Employee Stock Options Scheme

Our Company does not have any employee stock option scheme.

Payment or Benefit to officers of our Company

Except for perquisites and allowances that may be payable to the Key Management Personnel in accordance the Articles of Association and Companies Act, no non-salary related amount or benefit has been paid or given within two years, or intended to be paid or given, to any officer of our Company (including the Directors and key management personnel).

OUR PROMOTERS AND PROMOTER GROUP

Vivek Chaand Sehgal, Renu Sehgal and Laksh Vaaman Sehgal are our Promoters.

1. Vivek Chaand Sehgal

Vivek Chaand Sehgal, aged 55 years, is the Chairman of our Company. For further details, see "Board of Directors" in the section titled "Our Management" on page 216. He is a citizen of Australia and his Australian driving license number is 054920219. He does not have an Indian voter identification card.

2. Renu Sehgal

Age	51 years
Addess	B-300, New Friends Colony, New Delhi 110 025
Voter's identification □o.	DL/02/006/192809
Driving license	She does not have a driving license.
Directorship in companies	1. Motherson Auto Solutions Limited 2. Sisbro Motor & Workshop Private Limited 3. Motherson Engineering Research and Integrated Technologies Limited 4. Style Motors Limited 5. Spirited Auto Cars (I) Limited 6. Moon Meadows Private Limited 7. Motherson Auto Limited
Other ventures	For other ventures of Renu Sehgal, see the section titled "Group Companies" on page 231.

3. Laksh Vaaman Sehgal

Laksh Vaaman Sehgal, aged 29 years, is a Director of our Company. For further details, see "Board of Directors" in the section "Our Management" on page 216. He is a citizen of Australia and his Australian driving license number is 057514033. He does not have an Indian voter identification card.

Our Company confirms that the permanent account number, bank account number and passport number of our Promoters have been submitted to the Stock Exchanges at the time of filing of this Red Herring Prospectus with such Stock Exchange.

Interests of Promoters in our Company

Our Promoters are interested in our Company to the extent that they have promoted our Company and hold equity shares in our Company. Further, Vivek Chaand Sehgal and Laksh Vaaman Sehgal are also interested to the extent of their directorship in our Company. For details of the remuneration of the directors of our Company, see the section titled "Our Management- Payment or benefit to Directors of our Company" on page 220. For details on the shareholding of the Promoters in our Company, please see "Capital Structure" on page 85. Our Company has not

entered into any contract with the Promoters in relation to any property acquired by our Company during the preceding two years from the date of this Red Herring Prospectus or proposed to be acquired by our Company. Our Company has not entered into any contract with the Promoters in relation to any transaction in acquisition of land, construction of building and supply of machinery.

Payment of benefits to the Promoters

Except as provided in the section titled "Financial Statements- Related Party Disclosures under Accounting Standard 18- "Related Party Disclosure"" on page 345 and remuneration payable to Vivek Chaand Sehgal and Laksh Vaaman Sehgal in their capacity as Directors (for details see the section titled "Our Management- Payment or benefit to Directors of our Company" on page 220), there has been no payment of benefits by our Company to our Promoters during the two years prior to the filing of this Red Herring Prospectus.

Companies with which the Promoters have disassociated in the last three years

Our Promoters have not disassociated with any companies in the last three years.

Promoter Group

In addition to the Promoters, the following individuals and entities form part of the Promoter Group:

I. Natural persons who are part of the Promoter Group

The natural persons who are part of the Promoter Group (by virtue of being the immediate relatives of the Promoters), are as follows:

Name	Relationship
Geeta Soni	Sister of Vivek Chaand Sehgal
Nilu Mehra	Sister of Vivek Chaand Sehgal
Samridhi Sehgal	Wife of Laksh Vaaman Sehgal
Vidhi Sehgal	Daughter of Vivek Chaand Sehgal and sister of Laksh Vaaman Sehgal
Sanjay Bhalla	Father of Samridhi Sehgal
Amita Vyas Bhalla	Mother of Samridhi Sehgal
Abhinav Bhalla	Brother of Samridhi Sehgal
Sanjay Prakash	Brother of Renu Sehgal
Anjali Gujral	Sister of Renu Sehgal

II. Corporate entities forming part of the Promoter Group

1. A Basic Concepts Designs Pty. Limited
2. Advanced Technologies and Auto Resources Pte. Ltd.
3. ATAR Mauritius Private Limited
4. B.B. Agencies Private Limited
5. Concept Finance Private Limited
6. Crest Texports Limited
7. Edcol Global Pte. Limited
8. Field Motor Limited
9. Hoyt Technologies Private Limited
10. JBJ Holdings Private Limited
11. JBJ Sodick Private Limited
12. JBJ Technologies Limited
13. JBJ Weyltz Manufacturing Private Limited
14. Moon Meadows Private Limited
15. Motherson Air Travel Agencies Limited
16. Motherson Auto Limited
17. Motherson Engineering Research and Integrated Technologies Limited

18. Motherson Innovative Technologies and Research
19. Pinnacle Agencies Private Limited
20. Radha Rani Holdings Pte Ltd
21. Silver Spark Private Limited
22. Sisbro Motor & Workshop Private Limited
23. Southcity Motors Limited
24. Spirited Auto Cars (I) Limited
25. Style Motors Limited
26. Synventive Molding Solutions JBJ Private Limited
27. Ved Nirman Limited
28. Vedika Estates Private Limited

III. Trusts forming part of Promoter Group

1. JBJK Growth Trust

IV. Partnership firms forming part of Promoter Group

1. Ganpati Auto Industries
2. Motherson
3. Vaaman Auto Industry

Payment of benefits to the Promoter Group

Except as provided in the section titled "Financial Statements- Related Party Disclosures under Accounting Standard 18- "Related Party Disclosure"" on page 345, there has been no payment of benefits by our Company to the Promoter Group entities during the two years prior to the filing of this Red Herring Prospectus.

GROUP COMPANIES

Besides our Company, the Subsidiaries, the Joint Ventures and Other Consolidated Entities, the following companies, firms, ventures etc. have been promoted by the Promoters ("**Group Companies**"):

I. Companies

1. A Basic Concepts Designs Pty. Limited
2. Advance Technologies and Automotive Resources Pte Limited
3. ATAR Mauritius Private Limited
4. Edcol Global Pte. Limited
5. Field Motor Limited
6. JBJ Development Inc
7. JSRR Holding (M) Pvt. Limited
8. MAS Middle East Limited (FZE)
9. Moon Meadows Private Limited
10. Motherson Auto Limited
11. Motherson Engineering Research and Integrated Technologies Limited
12. Motherson Innovative Technologies and Research
13. Radha Rani Holdings Pte Ltd
14. Sisbro Motor & Workshop Private Limited
15. SCCL Global Project (FZE)
16. SCCL Infra Projects Limited
17. Southcity Motors Limited
18. Spirited Auto Cars (I) Limited
19. Style Motors Limited
20. Systematic Conscom Limited

II. Partnership firms

1. Ganpati Auto Industries
2. Motherson
3. Vaaman Auto Industry

III. Trust

1. JBJK Growth Trust

A. Details of the five largest Group Companies on the basis of turnover

1. Systematic Conscom Limited ("SCL")

Corporate information

SCL was incorporated under the Companies Act on September 8, 1987 and has its registered office at 2nd floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, Delhi 110044. SCL is authorised to engage in the business of trading and building construction.

Interests of the Promoters

Our Promoters and companies controlled by them together hold 99.99% of the equity share capital of SCL.

Financial information

The brief financial information of SCL based on its audited financial statements for the Fiscals 2011, 2010 and 2009 are as follows:

(₹ in million, except per share data)

	Fiscal 2011	Fiscal 2010	Fiscal 2009
Equity capital	4.95	4.95	4.95
Reserves and surplus (excluding revaluation)	515.00	392.00	314.00
Sales/Turnover	2,158.00	1,501.00	1,816.00
Profit/(Loss) after tax	123.00	78.00	138.00
Earnings per share (₹) (Basic)	248.00	158.00	280.00
Earnings per share (₹) (Diluted)	248.00	158.00	182.00
Net asset value per share (₹)	1,050.00	802.00	644.00

2. Spirited Auto Cars (I) Limited ("SACL")

Corporate information

SACL was incorporated under the Companies Act on May 21, 2009 and has its registered office at 2nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, Delhi 110044. SACL is authorized to carry on the business of, among other things, manufacturing, dealing in and selling automobiles.

Interests of the Promoters

Renu Sehgal holds 98.8% of the equity share capital of SACL and is also one of the directors on the board of SACL.

Financial information

The brief financial information of SACL based on its audited financial statements for the Fiscals 2011, 2010 and 2009 are as follows:

(₹ in million, except per share data)

	Fiscal 2011	Fiscal 2010	Fiscal 2009
Equity capital	20.50	20.50	NIL
Preference share capital	50.00	50.00	NIL
Reserves and surplus (excluding revaluation)	(37.164)	(30.83)	NIL
Sales/Turnover	1,332.15	564.57	NIL
Profit/(Loss) after tax	(6.34)	(30.83)	NIL
Earnings per share (₹) (Basic)	(5.37)	(432.11)	NIL
Earnings per share (₹) (Diluted)	(5.37)	(432.11)	NIL
Net asset value per share (₹)	(8.13)	(5.04)	NIL

3. Field Motor Limited ("FML")

Corporate information

FML was incorporated under the Companies Act on September 26, 2001 and has its registered office at 2nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, Delhi 110044. FML is authorized to carry on the business of, among other things, dealing in automobile motor car and automobile workshop.

Interests of the Promoters

Renu Sehgal holds 33.33% of the equity share capital of FML.

Financial information

The brief financial information of FML based on its audited financial statements for the Fiscals 2011, 2010 and 2009 are as follows:

(₹ in million, except share data)

	Fiscal 2011	Fiscal 2010	Fiscal 2009
Equity capital	21.00	21.00	21.00
Reserves and surplus (excluding revaluation)	(12.22)	(23.46)	(29.77)
Sales/Turnover/Income	801.91	551.30	301.96
Profit/(Loss) after tax	11.24	6.31	(1.72)
Earnings per share (₹) (Basic)	5.35	3.01	(0.82)
Earnings per share (₹) (Diluted)	5.35	3.01	(0.82)
Net asset value per share (₹)	4.18	(1.17)	(4.18)

4. South City Motors Limited ("SCM")

Corporate information

SCM was incorporated under the Companies Act on March 9, 1998 and has its registered office at 2nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, Delhi 110044. SCM is authorized to carry on the business of among other things, manufacturing, buying, selling, exporting, importing and repair of automobiles.

Interests of the Promoters

Renu Sehgal holds 75.29% of the equity share capital and 100% of the preference share capital of SCM.

Financial information

The brief financial information of SCM based on its audited financial statements for the Fiscals 2011, 2010 and 2009 are as follows:

(₹ in million, except per share data)

	Fiscal 2011	Fiscal 2010	Fiscal 2009
Equity capital	81.00	81.00	81.00
Preference share capital	50.00	50.00	20.00
Reserves and surplus (excluding revaluation)	(98.13)	(99.56)	(99.72)
Sales/Turnover	619.45	418.71	698.78
Profit/(Loss) after tax	1.43	0.16	(16.51)
Earnings per share (₹) (Basic)	(0.40)	(0.22)	(2.04)
Earnings per share (₹) (Diluted)	(0.40)	(0.22)	(2.04)
Net asset value per share (₹)	(2.11)	(2.29)	(2.31)

5. Motherson Auto Limited ("MAL")

Corporate information

MAL was incorporated under the Companies Act on November 22, 1983 and has its registered office at 2nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, Delhi 110044. MAL is authorized to carry on the business of rendering consultancy services.

Interests of the Promoters

Our Promoters hold 98.57% of the equity share capital of MAL and each of them are also directors on the board of MAL.

Financial information

The brief financial information of MAL based on its audited financial statements for the Fiscals 2011, 2010 and 2009 are as follows:

(₹in million, except per share data)

	Fiscal 2011	Fiscal 2010	Fiscal 2009
Equity capital	127.87	127.87	77.87
Reserves and surplus (excluding revaluation)	222.96	194.03	137.37
Sales/Turnover	327.53	282.87	204.69
Profit/(Loss) after tax	30.53	55.27	0.66
Earnings per share (₹) (Basic)	2.26	4.90	0.59
Earnings per share (₹) (Diluted)	2.26	4.90	0.59
Net asset value per share (₹)	27.44	25.17	27.64

B. Details of Group Companies with negative networth

1. Radha Rani Holdings Pte Ltd ("Radha Rani Holdings")

For the corporate information and the interests of the Promoters in Radha Rani Holdings, see the section titled "General Information- Details of the Selling Shareholder" on page 74.

Financial information

(*In SGD, except share data*)

	Fiscal 2011	Fiscal 2010	Fiscal 2009
Equity capital	100,000	100,000	100,000
Reserves and surplus (excluding revaluation)	(2,595,062)	(3,185,224)	(3,765,168)
Sales/Turnover/Income	394,726	426,648	442,025
Profit/(Loss) after tax	590,162	579,962	(378,135)
Earnings per share (Basic)	5.90	5.79	(3.78)
Earnings per share (Diluted)	5.90	5.79	(3.78)
Net asset value per share	(25.9)	(31.85)	(37.65)

C. Details of the other Group Companies

1. A Basic Concepts Designs Pty Limited ("ABCD")

Corporate information

ABCD was incorporated under the laws of Australia on May 1, 1996 and has its registered office at Unit 4, 18-22 Lexia Place, Mulgrave Victoria 3170 Australia. ABCD is authorized to carry on the business of design engineering.

Interests of the Promoters

Our Promoters indirectly hold 51% of the equity share capital of ABCD.

2. Advance Technologies and Automotive Resources Pte Limited ("ATAR Singapore")

Corporate information

ATAR Singapore was incorporated under the laws of Republic of Singapore on May 27, 2000 and has its registered office at 42B Horne Road, Singapore 209066. ATAR Singapore is authorized to carry on the business of business management and consultancy services.

Interests of the Promoters

Vivek Chaand Sehgal indirectly holds 100% of the equity share capital of ATAR Singapore.

3. ATAR Mauritius Private Limited ("ATAR Mauritius")

Corporate information

ATAR Mauritius was incorporated under the laws of Mauritius on October 30, 2001 and has its registered office at Abax Corporate Services Ltd, 6th floor, Tower A, 1 CyberCity, Ebene, Mauritius. ATAR Mauritius is authorised to engage in the business of investment holding activity.

Interests of the Promoters

Vivek Chaand Sehgal holds 50% of the equity share capital of ATAR Mauritius.

4. Edcol Global Pte Limited ("EDCOL")

Corporate information

EDCOL was incorporated under the laws of Republic of Singapore on November 24, 2001 and has its registered office at 42B Horne Road, Singapore 209066. EDCOL is authorized to carry on the business of among other things, general importers and exporters, hire-purchase dealers, manufacturers of articles, products and merchandise of all kinds and descriptions.

Interests of the Promoters

Our Promoters indirectly hold 66% of the equity share capital of EDCOL.

5. Ganpati Auto Industries ("Ganpati")

Corporate information

Ganpati, a partnership firm, was formed pursuant a partnership deed dated April 11, 1987.

Interest of the Promoters

Renu Sehgal and Laksh Vaaman Sehgal hold 100% partnership interest in Ganpati.

6. JBJ Development Inc ("JBJ")

Corporate information

JBJ was incorporated under the laws of British Virgin Islands on July 8, 2002 and has its registered office at Morgan & Morgan Trust Corporation Limited, P. O.Box 958, Pasea Estate, Road Town, Tortola, British Virgin Islands. JBJ is authorised to carry on activities that is not prohibited under any law for the time being in force in the British Virgin Islands.

Interests of the Promoters

JBJK Growth Trust, of which Vivek Chaand Sehgal is the sole beneficiary, indirectly holds 100% of the equity share capital of JBJ.

7. JBJK Growth Trust ("JBJK")

Corporate information

JBJK was established on July 4, 2002 and has its office in, British Virgin Islands. JBJK undertakes the business of trusteeship.

Interests of the Promoters

Vivek Chaand Sehgal is the sole beneficiary of JBJK.

8. JSRR Holdings (M) Pvt. Limited ("JSRR")

Corporate information

JSRR was incorporated under the laws of Mauritius on June 26, 1998 and has its registered office at Abax Corporate Services Ltd, 6th floor, Tower A, 1 CyberCity, Ebene, Mauritius. JSRR is authorised to carry on the business of investment holding activities.

Interests of the Promoters

JBJK Growth Trust, of which Vivek Chaand Sehgal is the sole beneficiary, indirectly holds 100% of the equity share capital of JSRR.

9. MAS Middle East Limited (FZE) ("MAS ME")

Corporate information

MAS ME was incorporated under the laws of UAE on May 19, 2002 and has its registered office at H-3, P.O. Box 8388, Sharjah, UAE. MAS ME is authorized to carry on the business of general trading and consultancy.

Interests of the Promoters

JBJK Growth Trust, of which Vivek Chaand Sehgal is the sole beneficiary, indirectly holds 100% of the equity share capital of MAS ME.

10. Moon Meadows Private Limited ("MMPL")

Corporate information

MMPL was incorporated under the Companies Act on May 25, 1989 and has its registered office at 2nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, Delhi 110044. MMPL is authorized to carry on the business of, among other things, leasing of immovable property.

Interests of the Promoters

Vivek Chaand Sehgal and Laksh Vaaman Sehgal together hold 99.98% of the equity share capital of MMPL.

11. Motherson

Corporate information

Motherson, a partnership firm, was formed pursuant a partnership deed dated September 18, 1975.

Interest of the Promoters

Our Promoters together hold 100% partnership interest in Motherson.

12. Motherson Engineering Research and Integrated Technologies Limited ("MERIT")

Corporate information

MERIT was incorporated under the Companies Act on February 22, 1999 and has its registered office at 2nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, Delhi 110044. MERIT is authorized to carry on the business of manufacture, testing, design, research, development and other relative parts for application in automotive industry as authorised.

Interests of the Promoters

Our Promoters together hold 94.96% of the equity share capital of MERIT.

13. Motherson Innovative Technologies and Research ("MITR")

Corporate information

MITR was incorporated under the Companies Act on June 28, 2002 and has its registered office at 2nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, Delhi 110044. MITR is authorized to carry on the business of, among other things, manufacturing, testing, designing, research and development for application in the automotive industry.

Interests of the Promoters

Renu Sehgal holds 90.00% of the equity share capital of MITR.

14. SCCL Global Project (FZE) ("SCCL Global")

Corporate information

SCCL Global was incorporated on September 29, 2010 under the laws of Sharjah and has its registered office at Executive Suite, P.O. 122975, Saif Zone Sharjah, UAE. SCCL Global is authorized to engage in the business of carrying out and providing consultancy services on construction activities.

Interests of the Promoters

Our Promoters, through companies controlled by them, hold 100% of the equity share capital of SCCL Global. Further, Vivek Chaand Sehgal is also interested in SCCL Global as a director.

15. SCCL Infra Projects Limited ("SCCL Infra")

Corporate information

SCCL Infra was incorporated under the laws of Cyprus on July 4, 2008 and has its registered office at 3 Themistocles Dervis Street, Julia House, Nicosia CY 1066, Cyprus. SCCL Infra is authorised to engage in the business of holding of investments.

Interests of the Promoters

Our Promoters, through companies controlled by them, hold 100% of the equity share capital of SCCL Infra. Further, Vivek Chaand Sehgal is also interested in SCCL Infra as a director.

16. Sisbro Motor & Workshop Private Limited ("SMWPL")

Corporate information

SMWPL was incorporated under the Companies Act on March 31, 1999 and has its registered office at 2nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, Delhi 110044. SMWPL is authorized to carry on the business of repair workshop of vehicles.

Interests of the Promoters

Laksh Vaaman Sehgal holds 100% of the equity share capital of SMWPL and Renu Sehgal is one of the directors on the board of SMWPL.

17. Style Motors Limited ("SML")

Corporate information

SML was incorporated under the Companies Act on May 28, 2009 and has its registered office at 2nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, Delhi 110044. SML is authorized to carry on the business of dealing and selling automobiles.

Interests of the Promoters

Renu Sehgal holds 98.80% of the equity share capital of SML and is one of the directors on the board of SMWPL.

18. Vaaman Auto Industry ("Vaaman")

Corporate information

Vaaman, a partnership firm, was formed pursuant a partnership deed dated March 1, 1985.

Interest of the Promoters

Renu Sehgal and Laksh Vaaman Sehgal together hold 100% partnership interest in Vaaman.

Location of the registered office of the Group Companies at 2nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi 110 044

The following 10 Group Companies have their registered offices situated at 2nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi 110 044:

a) Systematic Conscom Limited
b) Spirited Auto Cars (I) Limited
c) Field Motor Limited
d) South City Motors Limited
e) Motherson Auto Limited
f) Moon Meadows Private Limited
g) Motherson Engineering Research and Integrated Technologies Limited
h) Motherson Innovative Technologies and Research
i) Sisbro Motor & Workshop Private Limited
j) Style Motors Limited

The registered offices of the abovementioned entities have been situated at the same address merely for operational efficiency. Except for Moon Meadows Private Limited, Motherson Engineering Research and Integrated Technologies Limited, Motherson Innovative Technologies and Research, Sisbro Motor & Workshop Private Limited and Style Motors Limited, each of these entities are operational companies. Having common registered

offices for these companies enables the business activities and secretarial compliances to be conducted efficiently and in an organized manner.

Nature and extent of the interest of the Group Companies in our Company

(a) In the promotion of our Company

Except to the extent of the shareholding of Radha Rani Holdings and Advance Technologies and Automotive Resources Pte Ltd in our Company, none of the Group Companies have any interest in the promotion of our Company.

(b) In the properties acquired by our Company within the two years of the date of filing the Red Herring Prospectus or proposed to be acquired by our Company

None of the Group Companies have any interest in the properties acquired by our Company within the two years of the date of filing the Red Herring Prospectus or proposed to be acquired by our Company.

(c) In transactions for acquisition of land, construction of building and supply of machinery

None of the Group Companies have any interest in our Company in relation to transactions for acquisition of land, construction of building and supply of machinery.

Common pursuits between the Group Companies, Subsidiaries and Associate Companies, and our Company

Some of the Group Companies and Subsidiaries act as holding companies. Further there may be potential conflicts of interest between our Subsidiaries, Joint Ventures and Other Consolidated Entities, including MSSL and SMR. For details of such potential conflicts of interests, see the section titled, "Risk Factors- Internal Risks" on page 13.

Related business transactions within the Group Companies and its significance on the financial performance of our Company

For details, please see "Financial Statements- Related Party Disclosures under Accounting Standard 18- "Related Party Disclosure"" on page 345.

Sale/purchase between Group Companies, Subsidiaries and Associate Companies (exceeding 10% in aggregate of the total sales or purchases of our Company)

For details, please see "Financial Statements- Related Party Disclosures under Accounting Standard 18- "Related Party Disclosure"" on page 345.

Business interest of Group Companies, Subsidiaries and Associate Companies in our Company

Our Company has entered into a consultancy and professional service agreement dated April 1, 2011 with Motherson Auto Limited, one of our Group Companies pursuant to which Motherson Auto Limited provides management consultancy and professional services to our Company. For details of this agreement, see the section titled, "History and Certain Corporate Matters- Material Agreements" on page 200. Our Company may continue to enter into such business contracts with the Group Companies, Subsidiaries and Associate Companies in the future in the ordinary course of business. For details of significant transactions of our Company with the related parties, see the section titled "Financial Statements- Related Party Disclosures under Accounting Standard 18- "Related Party Disclosure"" on page 345.

Defunct Group Companies

Except for A Basic Concepts Designs India Private Limited and ASI Motherson Communication Solutions Limited, none of the Group Companies remain defunct and no application has been made to the registrar of companies for striking off the name of any of the Group Companies during the five years preceding the date of filing of this Red

Herring Prospectus. The names of A Basic Concepts Designs India Private Limited and ASI Motherson Communication Solutions Limited were struck off the register by the RoC and the companies were dissolved on March 25, 2011.

Public issue or rights issue

None of the Group Companies has made any public or rights issue in the last three years preceding the date of filing of this Red Herring Prospectus.

RELATED PARTY TRANSACTIONS

For details on related party transactions of our Company on a standalone and consolidated basis, see Annexure V and Annexure V to our restated standalone and consolidated financial statements, respectively, in the section titled "Financial Statements" on pages 255 and 317, respectively.

DIVIDEND POLICY

Our Company does not have any formal dividend policy for the Equity Shares. Our Company, being a holding company, relies primarily on dividends paid to us by our Subsidiaries, Joint Ventures and Associate Companies for our cash requirements, including funds to pay dividends to our shareholders, service any debt that we may incur and pay our operating expenses. The declaration and payment of dividend are governed by the applicable provisions of the Companies Act and the Articles of Association and will depend on a number of other factors, including the results of operations, financial condition, capital requirements and surplus, the performance of our Subsidiaries, Joint Ventures and Associate Companies, and other factors considered relevant by the Board of Directors.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

S. No.	Particulars	Page
1	Restated standalone financial information including auditor's report thereon	244 to 299
2	Restated consolidated financial information including auditor's report thereon	300 to 425

To

The Board of Directors
Samvardhana Motherson Finance Limited
2nd Floor, F-7, Block -1
Mohan Co-operative Industrial Estate
Mathura Road,
New Delhi 110 044

Auditors' Report on Restated Stand-alone Financial Information in connection with the Initial Public Offer of Samvardhana Motherson Finance Limited

Dear Sirs,

1. This report is issued in accordance with the terms of our agreement dated September 14, 2011.

2. The accompanying restated financial information, expressed in Indian Rupees, in Millions ("Restated Financial Information") of Samvardhana Motherson Finance Limited (hereinafter referred to as the "Company"), comprising Stand-alone Financial Information in paragraph A below and Other Stand-alone Financial Information in paragraph B below, has been prepared by the Management of the Company in accordance with the requirements of paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 (hereinafter referred to as the "Act") and item (IX) of Part A of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended to date (the "SEBI Regulations") issued by the Securities and Exchange Board of India (the "SEBI") in connection with the Proposed Initial Public Offer of Equity Shares of the Company (the "Issue") and has been approved by the Board of Directors and initialled by us for identification purposes. For the purposes of our examination, we have placed reliance on the audited stand alone financial statements of the Company for the nine months' interim period ended December 31, 2011 and the year ended March 31, 2011, expressed in Indian Rupees, on which we have expressed unmodified audit opinions dated April 12, 2012 and July 11, 2011 respectively and on the audited stand alone financial statements of the Company for the years ended March 31, 2010, 2009, 2008 and for seventeen months' period ended March 31, 2007, all expressed in Indian Rupees, on which other firms of chartered accountants have expressed unmodified audit opinions dated September 6, 2010, August 28, 2009, September 1, 2008 and April 30, 2007 respectively.

Directors' Responsibility for the Restated Financial Information

3. The preparation of the Restated Financial Information, which is to be included in the Red Herring Prospectus ("RHP") and the Prospectus, is the responsibility of the Management of the Company and has been approved by the Board of Directors by way of a circular resolution on April 19, 2012 as explained in paragraph 13 below. The Board of Directors' responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditors' Responsibilities

4. Our work has been carried out in accordance with Generally Accepted Auditing Standards, as per the (Revised) Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India and pursuant to the requirements of Schedule II to the Act. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the SEBI Regulations in connection with the Issue.

A. Stand-alone Financial Information as per audited stand alone financial statements:

5. We have examined the following summarized financial statements of the Company contained in Stand-alone Financial Information of the Company:
   a) the "Restated Statement of Assets and Liabilities " as at December 31, 2011, March 31, 2011, 2010, 2009, 2008 and 2007 (enclosed as Annexure 1);

b) the "Restated Statement of Profit and Loss Account" for the nine months' interim period ended December 31, 2011 , the years ended March 31, 2011, 2010, 2009, 2008 and for the seventeen months' period ended March 31, 2007 (enclosed as Annexure 2); and
c) the "Restated Statement of Cash Flows" for the nine months' interim period ended December 31, 2011 , the years ended March 31, 2011, 2010, 2009, 2008 and for the seventeen months' period ended March 31, 2007 (enclosed as Annexure 3).

6. The Stand-alone financial information, expressed in Indian Rupees, in Millions has been derived from the audited stand-alone financial statements of the Company as at December 31, 2011 and March 31, 2011, 2010, 2009, 2008 and for the nine months' interim period ended December 31 2011, the years ended March 31, 2011, 2010, 2009, 2008 and for the seventeen months' period ended March 31, 2007 all of which were, expressed in Indian Rupees.

7. We draw your attention to the following:
   a) the Stand-alone financial information should be read in conjunction with the basis of preparation and significant accounting policies given in Annexure IV;

   b) the Stand-alone financial information does not contain all the disclosures required by the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.

8. We have not audited any financial statements of the Company as of any date or for any period subsequent to December 31, 2011. Accordingly, we do not express any opinion on the financial position, results or cash flows of the Company as of any date or for any period subsequent to December 31, 2011.

B. Other Stand-alone Financial Information:

9. At the Company's request, we have also examined the following Other stand-alone Financial Information relating to the Company as at December 31, 2011 and March 31, 2011, 2010, 2009, 2008 and for the nine months' interim period ended December 31 2011, the years ended March 31, 2011, 2010, 2009, 2008 or for the seventeen months' period ended March 31, 2007, proposed to be included in the RHP and the Prospectus, prepared by the Management of the Company and as approved by the Board of Directors of the Company and annexed to this report:
   i) Notes to Restated Financial Information as enclosed in Annexure V
   ii) Statement on Adjustments to Audited Financial Statements as enclosed in Annexure VI
   iii) Restated Statement of Fixed Assets as enclosed in Annexure VII
   iv) Restated Statement of Investments as enclosed in Annexure VIII
   v) Restated Statement of Sundry Debtors as enclosed in Annexure IX
   vi) Restated Statement of Loans and Advances as enclosed in Annexure X
   vii) Restated Statement of Secured Loans as enclosed in Annexure XI and XIA
   viii) Restated Statement of Unsecured Loan as enclosed in Annexure XII
   ix) Restated Statement of Current Liabilities and Provisions as enclosed in Annexure XIII
   x) Restated Statement of Share Capital as enclosed in Annexure XIV
   xi) Restated Statement of Reserves and Surplus as enclosed in Annexure XV
   xii) Restated Statement of Other Income as enclosed in Annexure XVI
   xiii) Restated Statement of Personnel Expenses as enclosed in Annexure XVII
   xiv) Restated Statement of Administrative Expenses as enclosed in Annexure XVII
   xv) Restated Statement of Interest and Finance Charges as enclosed in Annexure XIX
   xvi) Restated Statement of Accounting Ratios as enclosed in Annexure XX
   xvii) Restated Statement of Capitalisation as enclosed in Annexure XXI
   xviii) Restated Statement of Tax Shelter as enclosed in Annexure XXII

Opinion

10. In our opinion
   (i) the Restated Financial Information of the Company, as attached to this report and as mentioned in paragraphs A and B above, read with basis of preparation and respective significant accounting policies have been prepared in accordance with Part II of Schedule II of the Act and the SEBI Regulations;

(ii) there are no changes in accounting policies of the Company during the nine months' interim period ended December 31, 2011, years ended March 31, 2011, 2010, 2009, 2008 and seventeen months' period ended March 31, 2007 and accordingly no adjustments are required in this regard;
(iii) the material adjustments relating to previous years have been adjusted in the year to which they relate;
(iv) there are no qualifications in the auditors' reports, which require any adjustments; and
(v) there are no extra-ordinary items which need to be disclosed separately.

11. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us and by other firms of chartered accountants on the stand alone financial statements.

12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

Emphasis of Matter

13. Without qualifying our opinion, we draw your attention to Note 21 on Annexure V of Restated Stand-alone Financial Information which has been inserted subsequent to the approval of Restated Stand-alone Financial Information on April 11, 2012 by the Board of Directors of the Company upon which we had issued our report dated April 12, 2012. Note 21 on Annexure V of Restated Stand-alone Financial Information clarifies that our scope of work and the terms of agreement, as agreed with the management of the Company are not at variance with relevant provisions of the Act, the Securities and Exchange Board of India Act, 1992 and the (Revised) Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India, respectively. The Restated Stand-alone Financial Information, revised for inclusion of the above mentioned note, has been approved by the Board of Directors of the Company by way of a circular resolution on April 19, 2012. Accordingly, our report is now re-issued pursuant to this clarification only and no additional procedures are required to be carried out from the date of our earlier report.

Restriction on Use

14. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the RHP and the Prospectus, prepared in connection with the proposed initial public offer of the Company, to be filed by the Company with the SEBI and the concerned Registrar of Companies.

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

Joy Kumar Jain
Partner
Membership Number: 087659

Place: NOIDA
Date: April 20, 2012

Annexure I – Restated Statement of Assets and Liabilities of Samvardhana Motherson Finance Limited

S No	Particulars	As at December 31st	As at March 31st				
		2011	2011	2010	2009	2008	2007
		Currency: Indian Rupees in Millions					
A	**Fixed Assets**						
	Gross Block	0.6	0.5	0.2	0.0	-	-
	Less: Accumulated Depreciation	0.3	0.2	0.1	0.0	-	-
	Net Block	0.3	0.3	0.1	0.0	-	-
	Capital Work in Progress (including Capital Advances)	-	-	-	-	-	-
	Total	**0.3**	**0.3**	**0.1**	**0.0**	**-**	**-**
B	**Investments**	12,014.3	11,359.3	11,515.1	8,897.3	5,424.8	5,355.9
C	**Current Assets, Loans and Advances**						
	Inventories	-	-	-	-	-	-
	Sundry Debtors	3.9	5.0	3.6	2.0	-	-
	Cash and Bank Balances	20.9	174.1	14.6	194.8	11.0	46.0
	Loans and advances	524.3	470.6	199.9	-	5.2	0.2
	Total	**549.1**	**649.7**	**218.1**	**196.8**	**16.2**	**46.2**
D	**Liabilities & Provisions**						
	Secured Loans	1500.0	1,500.0	1,250.0	-	-	-
	Unsecured Loans	-	-	128.5	207.0	-	-
	Liabilities	89.9	14.3	21.8	7.2	2.5	0.1
	Provisions	52.2	36.0	5.1	0.3	-	-
	Deferred Tax Liability (Net)	-	-	-	-	-	-
	Total	**1642.1**	**1,550.3**	**1,405.4**	**214.5**	**2.5**	**0.1**
	Net Worth (A+B+C-D)	**10921.6**	**10,459.0**	**10,327.9**	**8,879.6**	**5,438.5**	**5,402.0**
	Net Worth Represented By:						
E	Share Capital (including Preference Capital)	4736.1	4,684.1	5,397.5	3,470.5	3,001.8	80.5
F	Share Application Money	-	-	-	2,250.0	-	2,921.3
G	Reserves and Surplus	6,240.0	5,774.9	4,930.4	3,159.1	2,436.7	2,400.2
H	Less: Miscellaneous Expenditure to the extent not written off/adjusted	54.5	-	-	-	-	-
	Net Worth	**10,921.6**	**10,459.0**	**10,327.9**	**8,879.6**	**5,438.5**	**5,402.0**

The above statement should be read with the Significant Accounting Policies, appearing in Annexure IV; Notes to the Restated Financial Information, appearing in Annexure V and Statement of Adjustments to Audited Financial Statements, appearing in Annexure VI.

Annexure II – Restated Statement of Profit and Loss Account of Samvardhana Motherson Finance Limited

	For the nine months' interim period ended December 31st	For the year/ period ended March 31st				
	2011	2011	2010	2009	2008	2007*
	Currency: Indian Rupees in Millions					
INCOME						
Consultancy Income	2.6	4.5	12.9	2.1	-	-
Income from Investments	479.1	373.7	218.3	120.7	78.9	0.3
Other Income	2.8	27.7	1.8	-	-	-
Total Income (A)	**484.5**	**405.9**	**233.0**	**122.8**	**78.9**	**0.3**
EXPENDITURE						
Personnel Expenses	10.8	7.7	5.8	0.4	-	-
Administrative Expenses	64.2	77.4	85.2	10.1	20.2	1.6
Interest and Finance Charges	147.9	166.0	80.3	7.0	0.3	0.0
Total Expenditure (B)	**222.9**	**251.1**	**171.3**	**17.5**	**20.5**	**1.6**
Profit/(Loss) Before Depreciation (A-B)	**261.6**	**154.8**	**61.7**	**105.3**	**58.4**	**(1.3)**
Depreciation (C)	0.1	0.1	0.1	0.0	-	-
Profit/(Loss) Before Taxation (A-B-C)	**261.5**	**154.7**	**61.6**	**105.3**	**58.4**	**(1.3)**
Tax Expense						
Current Tax	16.4	37.5	10.0	1.2	-	0.1
Deferred Tax/ (Credit)	-	0.2	(0.2)	-	-	-
Less: Income Tax for earlier years	-	0.0	-	(0.0)	-	0.0
TOTAL (D)	**16.4**	**37.7**	**9.8**	**1.2**	**-**	**0.1**
Net Profit / (Loss) Before Restatement Adjustments (A-B-C-D)	**245.1**	**117.0**	**51.8**	**104.1**	**58.4**	**(1.4)**
Restatement Adjustments:						
Material adjustments relating to previous years	1.0	13.9	12.5	(5.1)	(21.9)	(0.4)
Tax impact of above adjustments	-	-	-	-	-	-
Deferred tax (expense) adjustments	-	0.2	(0.2)	-	-	-
Current tax (expense) adjustments for earlier years	-	0.0	(0.0)	(0.0)	-	(0.0)
Net Profit / (Loss) as Restated	**246.1**	**131.1**	**64.1**	**99.0**	**36.5**	**(1.8)**
Balance brought forward from previous year, as restated	328.5	197.4	133.3	34.3	(2.2)	(0.4)
Balance Carried to Balance Sheet, as restated	**574.6**	**328.5**	**197.4**	**133.3**	**34.3**	**(2.2)**

*** Seventeen Months period ended March 31, 2007**

The above statement should be read with the Significant Accounting Policies, appearing in Annexure IV; Notes to the Restated Financial Information, appearing in Annexure V and Statement of Adjustments to Audited Financial Statements, appearing in Annexure VI.

Annexure III – Restated Statement of Cash Flows of Samvardhana Motherson Finance Limited

		For the nine months' interim period ended Dec 31st	For the year/ period ended March 31st				
		2011	2011	2010	2009	2008	2007*
		Currency: Indian Rupees in Millions					
A	**Cash flows from operating activities:**						
	Restated Net profit/ (loss) before taxation	262.5	168.6	74.1	100.2	36.5	(1.7)
	Adjustments for:						
	Depreciation	0.1	0.1	0.1	0.0	-	-
	Interest Expense	144.1	160.8	79.5	5.9	-	-
	Processing Fee	3.6	4.3	-	-	-	-
	Unrealised Foreign exchange (gain)/loss	(2.9)	0.5	-	-	-	-
	Interest Income	(52.8)	(44.2)	(13.4)	(1.4)	(0.3)	(0.3)
	Income from Investments – Dividend	(426.3)	(285.5)	(204.8)	(119.3)	(78.6)	-
	(Profit)/Loss on sale of Investments	-	(43.9)	0.2	-	-	-
	Tax Deducted on Consultancy Income	(0.3)	(0.5)	(1.3)	-	-	-
	Provision for Gratuity and Compensated absences	0.1	0.5	0.6	-	-	-
	Provision for Penalty (Paid)	(1.0)				1.0	
	Provision for diminution in value of Investments	10.5	29.9	41.4	5.0	20.9	0.5
	Operating profit / (loss) before working capital changes	**(62.4)**	**(9.4)**	**(23.6)**	**(9.6)**	**(20.5)**	**(1.5)**
	Adjustments for changes in working capital :						
	- (Increase)/Decrease in Sundry Debtors	1.1	(1.4)	(1.6)	(2.0)	-	-
	- (Increase)/Decrease in Other Receivables[1]	(421.0)	(8.4)	(95.5)	0.0	0.0	(0.1)
	- Increase/(Decrease) in Trade and Other Payables	22.2	0.2	8.2	1.8	1.4	0.0
	Cash generated from / (used in) operations before tax and dividend income	**(460.1)**	**(19.0)**	**(112.5)**	**(9.8)**	**(19.1)**	**(1.6)**
	- Dividend Received	419.3	285.5	204.8	119.3	78.6	-
	- Interest Received on short term loans	23.4	4.9	5.9	1.4	0.3	0.3
	Net cash from / (used in) operating activities	**(17.4)**	**271.4**	**98.2**	**110.9**	**59.8**	**(1.3)**
	Taxes (Paid) / Received	**(5.0)**	**(2.2)**	**(4.6)**	**(1.2)**	**-**	**(0.2)**
	Net cash from/(used in) operating activities	**(22.4)**	**269.2**	**93.6**	**109.7**	**59.8**	**(1.5)**
B	**Cash flows from Investing activities:**						
	Purchase of fixed assets	(0.1)	(0.3)	(0.2)	0.0	-	-
	Proceeds from sale of long term Investments (shares)	29.6	49.3	-	-	-	-
	Proceeds from sale of Investments (mutual funds)-(net)	(28.4)	506.5	-	-	-	-
	Purchase of investments (shares)[1]	(289.1)	(385.9)	(2,659.3)	(3,477.6)	(89.8)	(73.2)
	Loan given to Subsidiaries (long term) - (net)	-	(248.9)	(104.5)	5.0	(5.0)	-
	Interest received on long term loan	34.5	21.0	7.5	-	-	-
	Net cash from/ (used in) investing activities	**(253.5)**	**(58.3)**	**(2,756.5)**	**(3,472.6)**	**(94.8)**	**(73.2)**
C	**Cash flows from financing activities:**						
	Interest paid	(136.8)	(168.6)	(73.1)	(2.4)	-	-

		For the nine months' interim period ended Dec 31st	For the year/ period ended March 31 st				
		2011	2011	2010	2009	2008	2007*
		Currency: Indian Rupees in Millions					
	Processing fee paid	(3.6)	(4.3)	-	-	-	-
	Proceeds from fresh issue of Share Capital	270.9	-	1,384.3	1,092.1	-	60.0
	Advance received against share capital	-	-	-	2,250.0	-	-
	Proceeds from borrowings	-	1,410.0	1,250.0	207.0	-	-
	Repayment of borrowings	-	(1,288.5)	(78.5)	-	-	-
	Share Issue Expenses incurred and paid	(7.8)	-	-	-	-	-
	Net cash from/ (used in) financing activities	**122.7**	**(51.4)**	**2,482.7**	**3,546.7**	**-**	**60.0**
D	**Cash acquired on amalgamation**	**-**	**-**	**-**	**-**	**-**	**40.6**
	Net Increase/(Decrease) in Cash & Cash Equivalents	**(153.2)**	**159.5**	**(180.2)**	**183.8**	**(35.0)**	**25.9**
	Cash and cash equivalents as at beginning of the year	**174.1**	**14.6**	**194.8**	**11.0**	**46.0**	**20.1**
	Cash and cash equivalents as at the year end	**20.9**	**174.1**	**14.6**	**194.8**	**11.0**	**46.0**
	Cash and cash equivalents comprises:						
	Cash in Hand	0.1	0.2	0.1	0.1	0.2	0.1
	Cheques in Hand	-	0.1	1.7	-	0.1	0.0
	Balance with Scheduled Banks in Current Account	20.8	150.3	12.8	194.7	10.7	45.9
	Balance with Scheduled Banks in Deposit Account	-	23.5	-	-	-	-

*** Seventeen Months period ended March 31, 2007**

[1] Refer Note 6 on Annexure V for details of Non Cash Transactions being conversion of loans given into share application money/investments.

The above Cash Flows Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard – 3 on "Cash Flow Statements" notified u/s 211(3C) of the Companies Act, 1956.

The above statement should be read with the Significant Accounting Policies, appearing in Annexure IV; Notes to the Restated Financial Information, appearing in Annexure V and Statement of Adjustments to Audited Financial Statements, appearing in Annexure VI.

Annexure – IV – Basis of Preparation and Significant Accounting Policies

A. BASIS OF PREPARATION

The restated statement of assets and liabilities, of the Company as at December 31, 2011, March 31, 2011, 2010, 2009, 2008 and 2007 and the restated statement of profit and loss, and the restated statement of cash flows, for the nine months' interim period ended December 2011, years ended March 31, 2011, 2010, 2009, 2008 and for seventeen months period ended March 31, 2007 and Other Financial Information have been derived by the Management from the then audited financial statements of the Company for the corresponding years/periods. These statements and Other Financial Information have been prepared for the proposed Initial Public Offer (referred to as the "Offer"), in accordance with the requirements of:

(a) Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 (the "Act"); and

(b) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time.

These Statements and Other Financial Information have been prepared after incorporating adjustments for the material amounts in the respective years/ period to which they relate. There are no changes to accounting policies or incorrect accounting policies or auditors' qualification which require adjustment.

These Statements and Other Financial Information were approved by the Board of Directors by way of circular resolution on April 11, 2011 and have subsequently been again approved by way of a circular resolution on April 19, 2012 on account of a revision indicated in note 21 of Annexure V.

B. SIGNIFICANT ACCOUNTING POLICIES

- **Basis of Accounting**

The Financial Statements are prepared to comply in all material aspects with all the applicable accounting principles in India and applicable accounting standards notified under section 211(3C) of the Companies Act, 1956. The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis.

- **Investments**

Investments are classified into long term and current investments.

- Long term Investments are carried at cost. In respect of investments acquired pursuant to the scheme of amalgamation, cost includes fair value of such investments as on the date of amalgamation i.e., February 1, 2007, as per the Scheme of Amalgamation as approved by the High Court of Delhi in December 2007 which is also in accordance with Accounting Standard 13- "Accounting for Investments." Also refer note 1 on Annexure V. A provision for diminution is made to recognise a decline, other than temporary, in the value of these investments

- Current investments are carried at lower of cost and fair value. Fair value in the case of quoted investments refers to the market value of the investments arrived at on the basis of last traded price at the balance sheet date.

- **Fixed Assets and Depreciation**

Fixed Assets

Fixed Assets have been stated at cost less accumulated depreciation. Cost is inclusive of freight, taxes & other directly attributable costs of bringing the asset to the working condition for intended use.

The Company charges assets costing less than Rs. 5,000 to expense, which could otherwise have been included as Fixed Assets, because the amount is not material in accordance with Accounting Standard 10- "Accounting for Fixed Assets".

Depreciation

Depreciation on fixed Assets is provided from the month the asset is ready for use, on pro-rata basis following the straight line method at rates prescribed in Schedule XIV to the Companies Act, 1956 or based on useful life, whichever is higher. In accordance with the above policy, the following assets are depreciated at rates higher than those prescribed in Schedule XIV to the Companies Act, 1956:

Computers- 33.33%
Electrical Installations- 10%
Furniture, Fixtures & Office equipment - 16.67%

- **Revenue Recognition**

  - Dividend income is recognised when the Company's right to receive payment is established.

  - Interest Income is recognised on a proportion of time basis taking into account the principal outstanding and the rate applicable.

  - Revenue from consultancy services, including recovery of expenses from other entities, is recognised when persuasive evidence of an arrangement exists; the consideration is fixed or determinable; and it is reasonable to expect ultimate collection. Such revenues are recognised as the services are provided. Also refer Note 7 on Annexure V.

- **Employee Benefits**

  The Company makes regular contributions to the State administered Provident Fund which is charged against revenue. The Company provides for long term defined benefit schemes of gratuity and compensated absences on the basis of actuarial valuation on the balance sheet date based on the Projected Unit Credit Method. In respect of Gratuity, the Company funds the benefits through annual contribution to Life Insurance Corporation (LIC) under its Group Gratuity Scheme. The actuarial valuation of the liability towards the defined benefits of the employees is made on the basis of assumptions with respect to the variable elements affecting the computations including estimation of future interest earnings on contribution to LIC. The Company recognises the actuarial gains and losses in the profit and loss account in the period in which they occur.

- **Leases**

  Lease rental in respect of assets taken under operating lease arrangements are charged to expense when due as per the terms of the related agreement on a straight-line basis over the term of lease.

  In respect of finance lease transactions considered as financing arrangements in accordance with Accounting Standard 19- "Leases", the leased asset is capitalised at an amount equal to the present value of future lease payments and a corresponding amount is recognised as a liability. The lease payments made are apportioned between finance charge and reduction of outstanding liability in relation to leased asset.

  In respect of assets leased out under operating lease, rental income is recognized on accrual basis over the lease term.

- **Income Taxes**

  Current Tax

Current tax is provided on the basis of tax payable on estimated taxable income computed in accordance with the applicable provisions of Income tax Act, 1961 after considering the benefits available under the said Act.

Deferred Tax

In accordance with Accounting Standard 22 – "Accounting for Taxes on Income", issued by the Institute of Chartered Accountants of India, the deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in the future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets.

- **Foreign Exchange Transactions**

Transactions involving foreign currencies are recorded at the exchange rate prevailing on the transaction date. Foreign currency monetary items are translated at the exchange rate prevailing at the balance sheet date and the gain/loss arising on such translation is charged to the profit and loss account. Premium or discount arising at the inception of a forward exchange contract is amortized as expense or income over the life of contract.

- **Borrowing Costs**

The borrowing costs on funds other than those directly attributable to the acquisition of a qualifying asset i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use, is charged to expense in the period in which they are incurred.

The borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of that asset.

- **Provisions and Contingent Liabilities**

A provision is recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

- **Use of Estimates**

In the preparation of the financial statements, the management of the Company makes estimates and assumptions in conformity with the applicable accounting principles in India that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes, the useful lives of fixed assets and estimates for recognising impairment losses.

These estimates could change from period to period and also the actual results could vary from the estimates. Appropriate changes are made to the estimates as the management becomes aware of changes in circumstances surrounding these estimates. The changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

- **Earnings per share (EPS)**

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax (and includes the post tax effect of any extra ordinary items) attributable to equity shareholders. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effect of potential dilutive equity shares.

- **Miscellaneous Expenditure**

  Expenses incurred in relation to issue of shares are treated as Miscellaneous Expenditure are taken to Balance Sheet to the extent not written off or adjusted. Such expenses are charged to securities premium account on successful issue of shares and otherwise charged to Profit & Loss Account.

Annexure V – Notes to the Restated Financial Information:

1) Amalgamation of Motherson Consultancy Private Limited ("MCPL") with the Company with effect from February 1, 2007:

Based on a scheme of Amalgamation approved by the Honourable High Court of Delhi on December 10, 2007, Motherson Consultancy Private Limited ("MCPL" or the "transferor company") has amalgamated with the Company from the Appointed Date of February 1, 2007. Accordingly the whole of the undertaking of MCPL was transferred to and vested in the Company as a going concern with effect from February 1, 2007 and MCPL was dissolved without winding up without any further act or deed on the Effective Date of the scheme being February 4, 2008.

With effect from the appointed date, all the debts, liabilities, duties and obligations of the transferor company as on the close of business on the date preceding the appointed date, whether or not provided in the books of the transferor company and all liabilities which arose or accrued on or after the appointed date deemed to be the debts, liabilities duties and obligations of the Company.

MCPL was in the business of providing consultancy services in various fields and to hold investments in Motherson group entities.

As per the scheme, the said transaction was recorded in such a manner that with effect from the appointed date, all assets and liabilities were vested in the Company. The amalgamation had been accounted for under the "amalgamation in the nature of purchase" method as prescribed by Accounting Standard (AS) 14 issued by the Institute of Chartered Accountants of India and the specific provisions of the scheme. Accordingly, all the assets and liabilities of the transferor company as on February 1, 2007 had been recorded by the Company at their fair values which have been considered as cost of acquisition.

The purchase consideration was allocated to the assets taken over and the liabilities assumed in accordance with the scheme of arrangement as follows:

Particulars	**Amount**
Assets:	**Currency: Indian Rupees in Millions**
Investments (at fair value)	5,292.1
Cash and bank balances	40.6
Other current assets	4.2
(A)	**5,336.9**
Liabilities :	
Current Liabilities	0.7
(B)	**0.7**
Net Assets taken over	**5,336.2**
Less: cancellation of inter- company investments	12.5
Total	5,323.7
Less: 292,130,594 shares to be allotted to the members of MCPL at a par value of Rs. 10 per share (shown as share application money)	2,921.3
Taken to Capital Reserve	**2,402.4**

The above transaction has been accounted for in the Period 2006-2007. Following companies were aquired by SMFL from the erstwhile MCPL as part of merger scheme with effect from February 1, 2007.

S. No.	**Name**	**Category**	**Shareholding acquired**
1	Saks Ancillaries Ltd	Subsidiary	58.08%
2	Samvardhana Motherson Virtual Analysis Ltd. (formerly Motherson Timetooth Technologies Ltd.)	Subsidiary	100.00%
3	Motherson Sumi Systems Ltd	Joint Venture	21.62%
4	Sumi Motherson Innovative Engineering Ltd	Joint Venture	16.08%

S. No.	Name	Category	Shareholding acquired
5	Motherson Techno Tools Ltd	Joint Venture	14.34%
6	Webasto Motherson Sunroofs Ltd.	Joint Venture	48.75%
7	Motoman Motherson Robotics Ltd	Joint Venture	33.00%
8	Anest Iwata Motherson Ltd	Joint Venture	49.00%
9	Motherson Air Travel Agencies Ltd	Associate	44.33%
10	ASI Motherson Communication Solutions Ltd	Associate	25.00%
11	MothersonSumi INfotech & Designs Limited	Investment	14.2%
12	Systematic Conscom Limited	Investment	0.5%
13	Munjal Showa Limited	Investment	0.0%

2) Contingent liabilities:

	As at December 31, 2011	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
	Currency: Indian Rupees in Millions					
Corporate Guarantee given to ICICI Bank, UK on behalf of wholly owned subsidiary, Samvardhana Motherson Finance Services Cyprus Limited [(December 2011:USD 16 Million), (March 2011:USD 16 Million), (2010: USD15 Million), (2009: USD15 Million), (2008: USD50 Million)] Actual loan amount outstanding Rs. 796.6 Million (March 2011: Rs. 676.3), (2010: Rs.678.3), (2009: Rs. 780.0), (2008: Rs. 612.5) including interest accrued. Further the Company has executed Non Disposal Undertaking (NDU) for 16,500,000 (March 2011: 16,500,000), (2010: 27,500,000), (2009: 27,500,000) shares of Motherson Sumi Systems Limited (MSSL) held by the Company.	849.6	713.4	673.4	780.0	2,005.8	-
Corporate Guarantee given to ICICI Bank, UK on behalf of wholly owned subsidiary, Samvardhana Motherson Holding (M) Limited [December 2011: GBP 15.532 Million, (March 2011: GBP 15.532 Million), (2010: GBP 14.12 Million), (2009:GBP 14.12 Million)] Actual loan amount outstanding Rs. 1,180.1 Million (March 2011: Rs. 1,014.6), (2010: Rs. 967.8), (2009: Rs. 1049.8) including interest accrued. Further the Company has executed Non Disposal Undertaking (NDU) for 23,100,000 (March 2011: 23,100,000), (2010: 27,100,000), (2009: 37,500,000) shares of MSSL held by the Company.	1281.3	1,110.3	1,058.5	1,049.8	-	-
Corporate Guarantee to SBI, UK on behalf of Samvardhana Motherson Reflectec Group Holdings Limited, a joint venture of the Company [December 2011:Euro 9.8 millions), (March 2011:Euro 9.8 millions), (2010: Euro 14.7 millions), (2009: Euro 14.7 millions)] together with interest accrued, to the extent of Company's economic interest. Actual loan amount outstanding Rs. 676.9 million (March 2011: Rs. 621.6 Million), (2010: Rs. 896.2 million), (2009: Rs. 1012.2 million) including interest accrued	676.9	621.6	896.2	1,012.2	-	-
Corporate Guarantee given to Standard Chartered Bank, UK acting as security agent for syndicated loan facility on behalf of Samvardhana Motherson Global Holdings Limited, Forgu Gmbh, Samvardhana Motherson B.V., joint ventures of the company for an amount of 1.1 times of USD equivalent of Euro 93 million. Actual Amount outstanding Rs.6,301.9 million (March 2011 and all previous years: Rs. Nil) including interest accrued.	7031.9	-	-	-	-	
Corporate Guarantee to SBI, New Delhi on behalf of Motherson Advanced Tooling Solutions Limited, wholly owned subsidiary. Actual amount outstanding against the facility Rs. 337.5 Million (March 2011: Rs 347.9 Million), (2010: Rs 327.9), (2009: Rs. NIL) including interest accrued.	410.0	410.0	410.0	410.0	-	-
Corporate Guarantee to Standard Chartered Bank, New Delhi Actual amount outstanding against the facility Rs NIL (Previous year Rs Nil) including interest accrued, both on behalf of Motherson Advanced Tooling Solutions Limited, wholly owned subsidiary.	280.0	-	-	-	-	-
Corporate Guarantee to Axis Bank, Noida on behalf of Spheros Motherson Thermal Systems Limited. Actual amount outstanding against the facility Rs. 0.7 Million (March 2011:Rs 8.3 Million), (2010 Rs.2.7)	33.0	33.0	33.0	-	-	-

	As at December 31, 2011	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Counter Guarantee to Nissin Electric Company (NEC), Japan for the loans availed by Nissin Advance Coating Indo Co. Limited (NACICL) and guaranteed by NEC, to the extent of our interest in the joint venture i.e. 49%. Actual amount of loan outstanding against the facility to the extent of our share Rs. 14.2 Million (March 2011: Rs 13.9), (2010 Rs 18.2) including interest accrued.	26.0	21.8	22.0	-	-	-
Corporate Guarantee to Yes Bank, Noida on behalf of Motherson Climate System Limited, a subsidiary of the Company. Actual Amount outstanding against facility Rs 96.3 Million (March 2011 :Rs 34.2 Million)	200.0	200.0	-	-	-	-

Further, in respect of certain subsidiary companies, the Company has furnished letters of support (to provide adequate financial support to enable those companies to cover any deficiency in equity and liquidity requirements for a period of next one year) as well as provided letter of comfort aggregating Rs. 1,250 million (March 2011: Rs. 1,250 million) on behalf of certain subsidiaries to ensure that subsidiaries meet their obligations in respect of fund and non fund based facilities availed by them from banks. Refer note 6 for further details.

3) The Company has committed further investments in Samvardhana Motherson Polymers Limited (SMPL), a joint venture of the Company, for an aggregate amount of Rs. 392 Million (Euro 5.88 Million). The Company has also committed to provide debt funds to certain subsidiaries of SMPL, in proportion of its shareholding of 49%, in case of shortfall by respective Companies in meeting their debt obligations. The Company has further committed to bear the losses incurred by SMPL in proportion to its shareholding of 49% and finance costs in respect of loans guaranteed by the Company.

4) The Company has been formed to act as a Group holding company to hold/make investments in group companies in India and overseas. In 2005-06, the Company had approached the Reserve Bank of India (RBI) for obtaining registration as a Non-Banking Finance Company pursuant to which the RBI stated that the requirement of registration does not apply to the Company. However, during the previous year 2009-10, the Company received a communication from RBI, requiring the Company to apply for registration to which the Company responded stating that exemption was never sought but RBI had concluded earlier that the provisions were not applicable to the Company. Since then there has not been any communication from RBI on the matter. Thereafter, in accordance with the Guidelines issued by RBI for Core Investment Companies ('CICs') issued during the year, the Company has duly made the necessary application to RBI for registration as CIC on May 09, 2011 and the same is under consideration of RBI.

5) The Company recruited employees from March, 2009 and did not accrue any employee benefits as at March 31, 2009 since relevant employee benefits statutes were not applicable to the Company at that time.

The details of liabilities recognised by the Company in respect of long term defined benefits and contribution schemes in accordance with Accounting Standard 15 (Revised 2005) for its employees are as under:

Defined Benefit Schemes:

(i) Gratuity

The employees are entitled to gratuity that is computed as half-month's salary, for every completed year of service and is payable on retirement/termination. The Company makes provision of such gratuity liability in the books of accounts on the basis of actuarial valuation.

(ii) Leave encashment /Compensated Absences

The employees are entitled for leave for each year of service and part thereof and subject to the limits specified, the unavailed 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:

	For the 9 month Period ended		For the year ended		For the year ended		For the year ended		For the year ended		For the period ended	
	December 31, 2011		March 31, 2011		March 31, 2010		March 31, 2009		March 31, 2008		March 31, 2007	
	Gratuity	Leave encashment / Compensated Absences	Gratuity	Leave encashment / Compensated Absences	Gratuity	Leave encashment /Compensated Absences	Gratuity	Leave encashment / Compensated Absences	Gratuity	Leave encashment /Compensated Absences	Gratuity	Leave encashment / Compensated Absences
												Currency: Indian Rupees in Millions
Obligations at year beginning	**0.8**	**0.3**	**0.3**	**0.3**	-	-	-	-	-	-	-	-
Service Cost - Current	**0.5**	**0.5**	**0.1**	**0.1**	**0.3**	**0.3**	-	-	-	-	-	-
Interest Cost	**0.1**	**0.0**	**0.0**	**0.0**	-	-	-	-	-	-	-	-
Addition on transfer of Employees **	**5.3**	**5.3**										
Actuarial (gain) / loss	**(0.4)**	**(0.6)**	**0.4**	**(0.1)**	-	-	-	-	-	-	-	-
Benefit Paid			-	-	-	-	-	-	-	-	-	-
Obligations at year end	**6.3**	**5.5**	**0.8**	**0.3**	**0.3**	**0.3**	-	-	-	-	-	-
Change in plan assets												
Plan assets at year beginning, at fair value	**0.1**		**-**	**-**	**-**	**-**	-	-	-	-	-	-
Expected return on plan assets	**0.0**		**-**	**-**	**-**	**-**	-	-	-	-	-	-
Actuarial gain / (loss)	**(0.0)**		**0.0**	-	-	-	-	-	-	-	-	-
Contributions	**-**		**0.1**	-	-	-	-	-	-	-	-	-
Benefits paid	**-**		**-**	-	-	-	-	-	-	-	-	-
Plan assets at year end, at fair value	**0.1**		**0.1**	**-**	**-**	**-**	-	-	-	-	-	-

Reconciliation of present value of the obligation and the fair value of plan assets:												
Present Value of the defined benefit obligations at the end of the year	**6.3**	**5.5**	**0.8**	**0.3**	**0.3**	**0.3**	-	-	-	-	-	-
Fair value of the plan assets at the end of the year	**0.1**	**-**	**0.1**	**-**	**-**	-	-	-	-	-	-	-
Liability recognised in the Balance Sheet	**6.2**	**5.5**	**0.7**	**0.3**	**0.3**	**0.3**	-	-	-	-	-	-
Defined benefit obligations cost for the year *												
Service Cost - Current	**0.5**	**0.5**	**0.1**	**0.1**	**0.3**	**0.3**	-	-	-	-	-	-
Interest Cost	**0.1**	**0.0**	**0.0**	**0.0**	**-**	**-**	-	-	-	-	-	-
Expected return on plan assets	(0.0)	-	-	-	**-**	**-**	-	-	-	-	-	-
Actuarial (gain) / loss	**(0.4)**	**(0.6)**	**0.4**	**(0.1)**	**-**	**-**	-	-	-	-	-	-
Net defined benefit obligations cost	**0.2**	**(0.1)**	**0.5**	**0.0**	**0.3**	**0.3**	-	-	-	-	-	-

* Disclosed under contribution to Provident & Other Funds (Annexure XVII)

**The Company has recovered an amount of Rs. 5.3 million for gratuity and Rs. 5.3 million for leave encashment/ compensated absences upon transfer of employees from group companies.

The principal assumptions used in determining employment benefit obligations are shown below:

	December 31, 2011	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
Discount Rate	8.7%	8.35%	7.5%	-	-	-
Future salary increases	7.5%	7.5%	5%	-	-	-
Expected return on plan assets	9.0%	9.0%	N.A	-	-	-

The plan assets are lying in the gratuity fund (Cash Accumulated Scheme) administered through Life Insurance Corporation of India (LIC).

The estimates of future salary increases considered in actuarial valuation, take amount of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

Actuary's best estimate of contribution during next one year is Rs. 0.9 million for gratuity and Rs. 0.6 million for leave encashment/ compensated absences.

(A) Defined Contributions Schemes

The Company deposits an amount determined at a fixed percentage of basic pay every month to the State administered Provident Fund for the benefit of employees. Accordingly, the Company's contribution during the period ended December 3, 2011 aggregating to Rs 0.9 million ,(March 2011: Rs. 0.5), (2010: Rs. 0.4), (2009: Rs. 0.0), (2008: NIL), (2007: NIL) has been charged to Profit and Loss Account and disclosed under Contribution to Provident & Other Funds.

6) Related Parties:

Related party disclosures, as required by AS 18, "Related Party Disclosures", are given below:

December 31, 2011	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
A. Relationship where control exists	**B. Relationship where control exists**	**C. Relationship where control exists**	**D. Relationship where control exists**	**E. Relationship where control exists**	**F. Relationship where control exists**
Subsidiaries -Saks Ancillaries Ltd. -Samvardhana Motherson Virtual Analysis Ltd. -Motherson Machinery and Automations Ltd. -Nachi Motherson Tool Technology Ltd. -Tigers Connect Travel Systems & Solutions Ltd. -Motherson Molds and Diecasting Ltd. -Samvardhana Motherson Finance Services Cyprus Ltd. -Motherson Zanotti Refrigeration System Ltd. -Samvardhana Motherson Finance Services Inc. -Motherson Advanced Tooling Solutions Ltd. -Samvardhana Motherson Holding (M) Pvt. Ltd. -Motherson Auto Solutions Ltd. -MothersonSumi Infotech & Designs Ltd. -MSID US Inc. -Motherson Climate System Ltd. -Motherson Bergstrom HVAC Solutions Pvt. Ltd. -Motherson Auto Engineering Service Ltd. -SCCL Infra Projects Ltd.(Formerly known as Avonhill Ltd)(Till January 7,2011) Motherson Sintermetal Technology Limited (w.e.f. December 22, 2011)	**Subsidiaries** -Saks Ancillaries Ltd. -Samvardhana Motherson Virtual Analysis Ltd. -Motherson Machinery and Automations Ltd. -Nachi Motherson Tool Technology Ltd. -Tigers Connect Travel Systems & Solutions Ltd. -Motherson Molds and Diecasting Ltd. -Samvardhana Motherson Finance Services Cyprus Ltd. -Motherson Zanotti Refrigeration System Ltd. -Samvardhana Motherson Finance Services Inc. -Motherson Timetooth Technology Inc.(Till July 08, 2010) -Motherson Advanced Tooling Solutions Ltd. -Samvardhana Motherson Holding (M) Pvt. Ltd. -SCCL Infra Projects Ltd (Formerly Avonhill Ltd.) (Till January 7, 2011) -Motherson Auto Solutions Ltd. -MothersonSumi Infotech & Designs Ltd. -MSID US Inc. -Motherson Climate System Ltd. -Motherson Bergstrom HVAC Solutions Pvt. Ltd. -Motherson Auto Engineering Service Ltd. (w.e.f. December 1, 2010) (Formerly Miyazu Motherson Engineering Design Ltd.)	**Subsidiaries** -Saks Ancillaries Ltd. -Samvardhana Motherson Virtual Analysis Ltd. (formerly Motherson Timetooth Technologies Ltd) -Motherson Machinery and Automations Ltd. -Nachi Motherson Tool Technology Ltd. -Tiger Connect Travel Systems & Solutions Ltd. -Motherson Molds and Diecasting Ltd. -Samvardhana Motherson Finance Services Cyprus Ltd. -Motherson Zanotti Refrigeration System Ltd. -Samvardhana Motherson Finance Services Inc. -Motherson Timetooth Technology Inc. -Motherson Advanced Tooling Solutions Ltd. -Samvardhana Motherson Holding (M) Pvt. Ltd. - SCCL Infra Projects Ltd (Formerly Avonhill Ltd.) -Motherson Auto Solutions Ltd. -MothersonSumi Infotech & Designs Ltd. -MSID U.S. Inc. -Motherson Climate System Ltd.	**Subsidiaries** -Saks Ancillaries Ltd -Motherson Timetooth Technologies Ltd -Motherson Machinery and Automations Ltd -Nachi Motherson Tool Technology Ltd -Tiger Connect Travel Systems & Solutions Ltd. (Formerly Motherson Automation Technology Ltd) -Motherson Molds and Diecasting Ltd -Samvardhana Motherson Finance Services Cyprus Ltd. -Motherson Zanotti Refrigeration System Ltd. -Samvardhana Motherson Finance Services Inc -Motherson Timetooth Technology Inc -Motherson Advanced Tooling Solutions Ltd. -Samvardhana Motherson Holding (M) Pvt. Ltd. - SCCL Infra Projects Ltd (Formerly Avonhill Ltd.).	**Subsidiaries** -Samvardhana Motherson Finance Services Cyprus Limited -Nissin Advance Coating Indo Co Ltd. -Motherson Zanotti Refrigeration System Ltd. -Magnetti Marelli Motherson Auto System Limited -Motherson Machinery and Automations Limited -Nachi Motherson Tool Technology Limited -Motherson Automation Technology Limited -Motherson Molds and Diecasting Limited -Saks Ancillaries Limited -Motherson Timetooth Technologies Ltd. -Samvardhana Motherson Finance Services Inc. -Motherson Timetooth Technology Inc.	**Subsidiaries** -Saks Ancillaries Ltd -Motherson Timetooth Technologies Ltd -Motherson Machinery and Automations Ltd -Nachi Motherson Tool Technology Ltd -Tiger Connect Travel Systems & Solutions Ltd. (Formerly Motherson Automation Technology Ltd) -Motherson Molds and Diecasting Ltd

B. Other Related Parties	A. Other Related Parties	B. Other Related Parties	C. Other Related Parties	D. Other Related Parties	E. Other Related Parties
i. Joint Ventures: -Motherson Sumi Systems Ltd and its subsidiaries -Anest Iwata Motherson Coating Equipment Ltd. -Sumi Motherson Innovative Engineering Ltd. -Anest Iwata Motherson Ltd. -Motherson Techno Tools Ltd. -Webasto Motherson Sunroofs Ltd (Till April 3, 2011) -AES (India) Engineering Ltd. -Spheros Motherson Thermal System Ltd. -Matsui Technologies India Ltd. -Fritzmeier Motherson Cabin Engineering Ltd. -Nissin Advanced Coating Indo Co. Ltd. -Magneti Marelli Motherson Auto System Ltd. -Magneti Marelli Motherson Holding India B.V. -Air Factory Energy Ltd. -CTM India Ltd. -Nachi Motherson Precision Ltd. -Samvardhana Motherson Global Holding Limited and its subsidiaries - -Forgu Gmbh -Samvardhana Motherson Polymers Limited and its subsidiaries -Motherson Techno Tools Mideast (FZE	**i. Joint Ventures:** -Motherson Sumi Systems Ltd and its subsidiaries -Anest Iwata Motherson Coating Equipment Ltd. -Sumi Motherson Innovative Engineering Ltd. -Anest Iwata Motherson Ltd. -Motherson Techno Tools Ltd. -Webasto Motherson Sunroofs Ltd. -Motoman Motherson Robotics Ltd. (Till January 31, 2011) -AES (India) Engineering Ltd. -Miyazu Motherson Engineering Design Ltd. (Till November 30, 2010) -Spheros Motherson Thermal System Ltd. -Matsui Technologies India Ltd. -Fritzmeier Motherson Cabin Engineering Ltd. -Nissin Advanced Coating Indo Co. Ltd. -Magneti Marelli Motherson Auto System Ltd. -Magneti Marelli Motherson Holding India B.V. -Air Factory Energy Ltd. -CTM India Ltd. -Nachi Motherson Precision Ltd. -Samvardhana Motherson Global Holding Limited and its subsidiaries -Motherson Techno Tools Mideast (FZE)	**i. Joint Ventures:** -Motherson Sumi Systems Ltd and its subsidiaries -Anest Iwata Motherson Coating Equipment Ltd. Sumi Motherson Innovative Engineering Ltd. nest Iwata Motherson Ltd. otherson Techno Tools Ltd. ebasto Motherson Sunroofs Ltd. otoman Motherson Robotics Ltd. ES (India) Engineering Ltd. iyazu Motherson Engineering Design Ltd. pheros Motherson Thermal System Ltd. atsui Technologies India Ltd. itzmeier Motherson Cabin Engineering Ltd. issin Advanced Coating Indo Co. Ltd. agneti Marelli Motherson Auto System Ltd. agneti Marelli Motherson Holding India B.V. ir Factory Energy Ltd. TM India Ltd. -Samvardhana Motherson Global Holding Limited and its subsidiaries -Motherson Techno Tools Mideast (FZE)	**i. Joint Ventures:** -Motherson Sumi Systems Ltd and its subsidiaries -Anest Iwata Motherson Coating Equipment Ltd -Sumi Motherson Innovative Engineering Ltd -Anest Iwata Motherson Ltd -Motherson Techno Tools Ltd -Webasto Motherson Sunroofs Ltd. -Motoman Motherson Robotics Ltd -AES (India) Engineering Ltd -Miyazu Motherson Engineering Design Ltd. -Spheros Motherson Thermal System Ltd. -Matsui Technologies India Ltd. -Fritzmeier Motherson Cabin Engineering Ltd. -Nissin Advanced Coating Indo Co. Limited -Magneti Marelli Motherson Auto System Ltd. -Magneti Marelli Motherson Holding India B.V. -Air Factory Energy Ltd. -Motherson Techno Tools Mideast (FZE) -Samvardhana Motherson Global Holding Limited and its subsidiaries.	**i. Joint Ventures:** -Motherson Sumi Systems Limited and its subsidiaries -AES (India) Engineering Limited -Miyazu Motherson Engineering Design Limited -Spheros Motherson Thermal System Limited -Matsui Technologies India Limited -Anest Iwata Motherson Coating Equipment Limited -Sumi Motherson Innovative Engineering Limited -Anest Iwata Motherson Limited -Motherson Techno Tools Limited -Webasto Motherson Sunroofs Limited -Motoman Motherson Robotics Limited -Fritzmeier Motherson Cabin Engineering Ltd. -Magnetti Marelli Motherson Holding India B.V. -Air Factory Energy Ltd. -Motherson Techno Tools Mideast (FZE)	**i. Joint Ventures:** -Motherson Sumi Systems Ltd and its subsidiaries -Anest Iwata Motherson Coating Equipment Ltd -Sumi Motherson Innovative Engineering Ltd -Anest Iwata Motherson Ltd -Motherson Techno Tools Ltd -Webasto Motherson Sunroofs Ltd. -Motoman Motherson Robotics Ltd -AES (India) Engineering Ltd -Miyazu Motherson Engineering Design Ltd. -Spheros Motherson Thermal System Ltd. -Matsui Technologies India Ltd. -Motherson Techno Tools Mideast (FZE)
ii. Associates: -Motherson Air Travel Agencies Ltd.	**ii. Associates:** -Motherson Air Travel Agencies Ltd. -ASI Motherson Communication Solutions Ltd. (upto March 25, 2011)	**ii. Associates:** -Motherson Air Travel Agencies Ltd. -ASI Motherson Communication Solutions Ltd.	**ii. Associates:** -Motherson Air Travel Agencies Limited -ASI Motherson Communication Solutions Limited	**ii. Associates:** -Motherson Air Travel Agencies Limited -ASI Motherson Communication Solutions Limited	**ii. Associates:** -Motherson Air Travel Agencies Limited -ASI Motherson Communication Solutions Limited
iii.**Companies in which Key Managerial Personnel or their relatives have control/ significant influence:** -Motherson Elastomers Pty. Ltd. -Motherson Tradings Ltd. (merged with Motherson Sumi Systems Ltd. w.e.f. April 28, 2011) -Motherson Auto Ltd. -Southcity Motors Ltd. -Spirited Auto Cars (I) Ltd..	**iii. Companies in which Key Managerial Personnel or their relatives have control/ significant influence:** -Motherson Elastomers Pty. Ltd. -Motherson Tradings Ltd. (merged with Motherson Sumi Systems Ltd. w.e.f. April 28, 2011) -Motherson Auto Ltd. -Southcity Motors Ltd. -Spirited Auto Cars (I)	**iii. Companies in which Key Managerial Personnel or their relatives have control/ significant influence:** -Motherson Elastomers Pty. Ltd. -Motherson Tradings Ltd. (formerly Motherson Pudenz Wickmann Ltd) -Motherson Auto Ltd. -Southcity Motors Ltd. -Spirited Auto Cars (I) Ltd.	**iii. Companies in which Key Managerial Personnel or their relatives have control/ significant influence:** -Motherson Auto Limited -MothersonSumi Infotech & Designs Ltd South City Motors Ltd. -Motherson Auto Solutions Ltd. ystematic Conscom Ltd. -Samvardhana Employees Welfare Trust	**iii. Companies in which Key Managerial Personnel or their relatives have control/ significant influence:** -Motherson Auto Limited -MothersonSumi Infotech & Designs Ltd Magneti Marelli Motherson Auto System Ltd. -South City Motors Ltd. -Motherson Auto	**iii. Companies in which Key Managerial Personnel or their relatives have control/ significant influence:** -Motherson Auto Limited -MothersonSumi Infotech & Designs Ltd -South City Motors Ltd. -Motherson (Partnership Firm) -Motherson Auto Solutions Ltd.

-Samvardhana Employees Welfare Trust -Systematic Conscom Ltd. (Upto September 28, 2011) Radha Rani Holdings Pte Ltd.	Ltd. -Systematic Conscom Ltd. -Samvardhana Employees Welfare Trust	ystematic Conscom Ltd. -Samvardhana Employees Welfare Trust		Solutions Ltd. -Samvardhana Employees Welfare Trust -Systematic Conscom Ltd.	-Motherson Consultancy Private Limited -Samvardhana Employees Welfare Trust -Systematic Conscom Ltd.
(iv) Joint Venturers -Sojitz Corporation -Webasto AG (Upto April 3, 2011)	**iv. Joint Venturers** -Yaskawa Electric Corporation (Till January 31, 2011) Miyazu -Seisakusho Co. Ltd. (Till November 30, 2010) -Sojitz Corporation	**iv. Joint Venturers** Sojitz Corporation	**iv. Joint Venturers** Sojitz Corporation	**iv. Joint Venturers** NIL	**iv. Joint Venturers** -Spheros Gmbh, Germany
v. Key Management Personnel	**v. Key Management Personnel**	**v. Key Management Personnel**	**v. Key Management Personnel**	**v. Key Management Personnel**	**v. Key Management Personnel**
a) Board of Directors Mr. Vivek Chaand Sehgal* Mr. Laksh Vaaman Sehgal* Mrs.Renu Sehgal (Till September 14, 2011)* Mr. Ashok Tandon (Till September 14, 2011) Mr. Chandra Shekhar Panda (Till September 28, 2011) Mr. Bimal Dhar (Till September 14, 2011) Mr. Hiroto Murai Mr. Hiroshi Morimoto Mr. Sushil Chand Tripathi (w.e. f September 14, 2011) Mr. Satya Pal Talwar (w.e.f September 14, 2011	a) Board of Directors Mr. Vivek Chaand Sehgal* Mr. Laksh Vaaman Sehgal* Mrs.Renu Sehgal* Mr. Ashok Tandon Mr. Chandra Shekhar Panda Mr. Bimal Dhar Mr. Hiroto Murai Mr. Hiroshi Morimoto	a) Board of Directors Mr. Vivek Chaand Sehgal* Mr. Laksh Vaaman Sehgal* Mrs. Renu Sehgal* Mr. Ashok Tandon Mr. Chandra Shekhar Panda Mr. Bimal Dhar Mr. Hiroto Murai (w.e.f. 30/09/2009) Mr. Hiroshi Morimoto (w.e.f. 30/09/2009)	a) Board of Directors Mr. Vivek Chaand Sehgal* Mr. Laksh Vaaman Sehgal* Mrs. Renu Sehgal* (w.e.f. 01/09/2008) Mr. Ashok Tandon Mr. Chandra Shekhar Panda (w.e.f. 01/09/2008) Mr. Bimal Dhar (w.e.f. 01/09/2008)	a) Board of Directors Mr. Vivek Chaand Sehgal* Mr. Ashok Tandon Mr. Laksh Vaaman Sehgal*	a) Board of Directors Mr. Vivek Chaand Sehgal* Mr. Laksh Vaaman Sehgal* Mr. Ashok Tandon Mr. G N Gauba (Till March 28, 2007)
b) Other Key Management Personnel Mr. Ashok Tandon , Manager and Chief Financial Officer (w.e.f September 15, 2011) Mr. Himanshu Bindal, Manager (Till September 14, 2011)	b) Other Key Management Personnel Mr.Manoj Maheshwari, Manager (Till December 31, 2010) Mr. Himanshu Bindal, Manager (w.e.f. January 1, 2011)	b) Other Key Management Personnel Mr. Manoj Maheshwari, Manager	b)Other Key Management Personnel Mr. Manoj Maheshwari	b) Other Key Management Personnel Mr. Manoj Maheshwari	b) Other Key Management Personnel Mr. Manoj Maheshwari
c) Relatives of Key Management Personnel Ms. Vidhi Sehgal (daughter of Mr. Vivek Chaand Sehgal and Mrs. Renu Sehgal) Mrs. Neelu Mehra (Sister of Mr. Vivek Chaand Sehgal) Mrs. Geeta Soni (Sister of Mr. Vivek Chaand Sehgal)	c) Relatives of Key Management Personnel Ms. Vidhi Sehgal (daughter of Mr. Vivek Chaand Sehgal and Mrs. Renu Sehgal) Neelu Mehra (sister of Mr. Vivek Chaand Sehgal) Ms. Geeta Soni (sister of Mr. Vivek Chaand Sehgal)	c) Relatives of Key Management Personnel Ms. Neelu Mehra (sister of Mr. Vivek Chaand Sehgal) Ms. Geeta Soni (sister of Mr. Vivek Chaand Sehgal) Ms. Vidhi Sehgal (daughter of Mr. Vivek Chaand Sehgal and Mrs. Renu Sehgal)	c) Relatives of Key Management Personnel Ms. Neelu Mehra (sister of Mr. Vivek Chaand Sehgal) Ms. Geeta Soni (sister of Mr. Vivek Chaand Sehgal) Ms. Vidhi Sehgal (daughter of Mr. Vivek Chaand Sehgal and Mrs. Renu Sehgal)	c)Relatives of Key Management Personnel Ms. Renu Sehgal* Ms. Neelu Mehra(sister of Mr. Vivek Chaand Sehgal) Ms. Geeta Soni sister of Mr. Vivek Chaand Sehgal) Ms. Vidhi Sehgal daughter of Mr. Vivek Chaand Sehgal and Mrs. Renu Sehgal)	c)Relatives of Key Management Personnel Ms. Vidhi Sehgal daughter of Mr. Vivek Chaand Sehgal and Mrs. Renu Sehgal) Ms. Neelu Mehra(sister of Mr. Vivek Chaand Sehgal) Ms. Geeta Soni(sister of Mr. Vivek Chaand Sehgal) Ms. Renu Sehgal*

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* Persons exercising significant influence on the Company.

i. Details of significant transactions, in the ordinary course of business at commercial terms, and balances with related parties as mentioned above:

S. No.	Particulars	Parties mentioned in 6 (A) above	Parties mentioned in 6 (B) (i)	Parties mentioned in 6 (B) (ii) above	Parties mentioned in 6 (B) (iii) above	Parties mentioned in 6 (B) (iv) above	Parties mentioned in 6(B) (v) (a) & (b) above	Parties mentioned in 6 (B) (v) (c) above
								Currency: Indian Rupees in Millions
1	**Dividend received**							
	December 2011	11.0	408.4	-	-	-	-	-
	March 2011	11.0	267.0	-	-	-	-	-
	2010	1.9	200.6	-	-	-	-	-
	2009	-	115.8	-	1.9	-	-	-
	2008	-	78.6	-	-	-	-	-
	2007							
2	**Consultancy Income**							
	December 2011	0.0	2.6	-	-	-	-	-
	March 2011	0.2	4.1	-	0.2	-	-	-
	2010	1.7	10.5	-	0.3	-	-	-
	2009	0.0	1.0	0.5	-	-	-	-
	2008	-	-	-	-	-	-	-
	2007	-	-	-	-	-	-	-
3	**Guarantee Commission :(Income)**							
	December 2011	-	-	-	-	-	-	-
	March 2011	-	1.5	-	-	-	-	-
	2010	-	1.8	-	-	-	-	-
	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
	2007	-	-	-	-	-	-	-
4	**Investments made**							
	December 2011	40.3	119.1	-	-	-	-	-
	March 2011	154.1	231.8	-	-	-	-	-
	2010	481.3	1,632.3	-	-	-	-	-
	2009	304.9	3,170.0	-	0.7	-	-	-
	2008	2.8	82.4	-	-	-	-	-
	2007	19.5	-	-	5,278.8	-	-	-
5	**Investments sold to related parties**							
	December 2011	-	1.2	-	-	28.4	-	-
	March 2011	-	-	-	-	49.3	-	-
	2010	-	-	-	-	-	-	-
	2009	-	0.5	-	-	-	-	-
	2008	-	-	-	-	-	-	-
	2007	-	-	-	-	-	-	-
6	**Investments purchased from related parties**							
	December 2011	-	-	-	-	0.1	-	-
	March 2011	-	-	-	-	-	0.1	-
	2010	-	-	-	-	-	0.5	-
	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	0.2
	2007	-	-	-	-	-	-	0.1
7	**Share Application money received/ (refunded)**							
	December 2011	-	-	-	-	-	-	-
	March 2011	-	-	-	-	-	-	-
	2010	-	-	-	-	(189.4)	-	-
	2009	-	-	-	-	2,250.0	-	-

S. No.	Particulars	Parties mentioned in 6 (A) above	Parties mentioned in 6 (B) (i)	Parties mentioned in 6 (B) (ii) above	Parties mentioned in 6 (B) (iii) above	Parties mentioned in 6 (B) (iv) above	Parties mentioned in 6(B) (v) (a) & (b) above	Parties mentioned in 6 (B) (v) (c) above
								Currency: Indian Rupees in Millions
	2008	9.6	15.0	-	-	-	-	-
	2007	-	-	-	-	-	1609.3	634.8
8	**Shares allotted to related parties**							
	December 2011	-	-	-	270.9	-	-	-
	March 2011	-	-	-	-	1,248.8	-	-
	2010	-	-	-	59.9	2,060.6	1,424.6	89.3
	2009	-	-	-	-	-	1,092.1	-
	2008	-	-	-	-	-	1609.3	634.8
	2007	-	-	-	60.0	0.0	-	-
9	**Advance against share application money pending allotment**							
	December 2011	209.8	75.0	-	-	-	-	-
	March 2011	0.0	-	-	-	-	-	-
	2010	-	-	-	-	-	-	-
	2009	-	-	-	2.5	-	-	-
	2008	4.0	15.0	-	10.0	-	-	-
	2007	5.6						
10	**Loans given converted into Share Application money/shares**							
	December 2011	330.0	40.0	-	-	-	-	-
	March 2011	25.0	90.0	-	-	-	-	-
	2010	-	27.0	-	-	-	-	-
	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
	2007	-	-	-	-	-	-	-
11	**Advance given as equity & refund thereof**							
	December 2011	-	-	-	-	-	-	-
	March 2011	-	-	-	-	-	-	-
	2010	-	34.0	-	-	-	-	-
	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
	2007	-	-	-	-	-	-	-
12	**Loans given during the year**							
	December 2011	376.9	72.5	-	33.5			
	March 2011	387.4	45.0	20.0	-	-	-	-
	2010	304.0	143.8	-	-	-	-	-
	2009	12.0	-	-	-	-	-	-
	2008	5.0	5.0	-	20.0	-	-	-
	2007	-	-	-	-	-	0.2	1.9
13	**Loans received back during the year**							
	December 2011	63.0	10.0	20.0	3.5	-	-	-
	March 2011	40.0	73.8	-	-	-	-	-
	2010	211.5	25.0	-	-	-	-	-
	2009	12.0	5.0	-	-	-	-	-
	2008	-	5.0	-	20.0	-	-	-
	2007	-	-	-	-	-	0.2	1.9
14	**Loans availed during the year**							
	December 2011	-	-	-	-	-	-	-
	March 2011	-	-	-	10.0	-	-	-

S. No.	Particulars	Parties mentioned in 6 (A) above	Parties mentioned in 6 (B) (i)	Parties mentioned in 6 (B) (ii) above	Parties mentioned in 6 (B) (iii) above	Parties mentioned in 6 (B) (iv) above	Parties mentioned in 6(B) (v) (a) & (b) above	Parties mentioned in 6 (B) (v) (c) above
								Currency: Indian Rupees in Millions
	2010	-	40.0	-	-	-	-	-
	2009	30.0	127.5	-	-	-	-	-
	2008	-	-	-	-	-	-	-
	2007							
15	**Loans repaid during the year**							
	December 2011	-	-	-	-	-	-	-
	March 2011	24.0	104.5	-	10.0	-	-	-
	2010	6.0	112.5	-	-	-	-	-
	2009	-	-	-	-	-	-	
	2008	-	-	-	-	-	-	-
	2007	-	-	-	-	-	-	-
16	**Remuneration to Key Management Personnel**							
	December 2011	-	-	-	-	-	2.7	-
	March 2011	-	-	-	-	-	2.4	-
	2010	-	-	-	-	-	1.2	-
	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
	2007	-	-	-	-	-	-	-
17	**Reimbursement of Expenses (Expenditure)**							
	December 2011	-	0.2	0.4	22.1	-	-	-
	March 2011	-	0.8	-	16.5	-	-	-
	2010	-	1.5	-	2.3	-	-	-
	2009	-	-	-	4.8	-	-	-
	2008	-	-	-	15.0	-	-	-
	2007	-	-	-	0.0	-	-	-
18	**Reimbursement of Expenses (Recovery)**							
	December 2011	3.0	21.6	-	18.5	-	-	-
	March 2011	1.1	1.7	-	-	-	-	-
	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
	2008	0.4	0.1	-	-	-	-	-
	2007	-	-	-	-	-	-	-
19	**Interest income**							
	December 2011	47.6	1.9	1.2	1.8			
	March 2011	40.7	1.8	0.7	-	-	-	-
	2010	9.8	3.4	-	-	-	-	-
	2009	0.1	0.0	-	-	-	-	-
	2008	0.1	-	-	0.1	-	-	-
	2007	-	-	-	-	-	-	-
20	**Interest Expenses**							
	December 2011	-	-	-	-	-	-	-
	March 2011	0.1	0.2	-	0.2	-	-	-
	2010	2.3	9.7	-	3.8	-	-	-
	2009	1.5	2.4	-	-	-	-	-
	2008	-	-	-	-	-	-	-
	2007	-	-	-	-	-	-	-
21	**Professional Charges**							
	December 2011	-	-	-	1.0	-	-	-
	March 2011	-	-	-	0.7	-	-	-
	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-

S. No.	Particulars	Parties mentioned in 6 (A) above	Parties mentioned in 6 (B) (i)	Parties mentioned in 6 (B) (ii) above	Parties mentioned in 6 (B) (iii) above	Parties mentioned in 6 (B) (iv) above	Parties mentioned in 6(B) (v) (a) & (b) above	Parties mentioned in 6 (B) (v) (c) above
								Currency: Indian Rupees in Millions
	2007	-	-	-	-	-	-	-
22	**Travelling Expenses**							
	December 2011	-	-	2.7	-	-	-	-
	March 2011	-	-	1.6	-	-	-	-
	2010	-	-	1.3	-	-	-	-
	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
	2007	-	-	-	0.0	-	-	-
23	**Rent paid:**							
	December 2011	-	0.1	-	0.0	-	-	-
	March 2011	-	-	-	0.0	-	-	-
	2010	-	-	-	0.0	-	-	-
	2009	-	-	-	0.0		-	-
	2008	-	-	-	-	-	-	-
	2007	-	-	-	-	-	-	-
24	**Computer Expenses**							
	December 2011	0.2	-	-	-	-	-	-
	March 2011	0.0	-	-	-	-	-	-
	2010	0.0	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
	2008	-		-	0.5	-	-	-
	2007	-	-	-	-	-	-	-
25	**Printing & Stationery**							
	December 2011	-	-	-	0.0	-	-	-
	March 2011	-	-	-	0.0	-	-	-
	2010	-	-	-	0.0	-	-	-
	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
	2007	-	-	-	-	-	-	-
26	**Purchase of Fixed Assets (Computer)**							
	December 2011	-	-	-	-	-	-	-
	March 2011	0.3	-	-	-	-	-	-
	2010	0.1	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
	2007	-	-	-	-	-	-	-
27	**Purchase of Fixed Assets (Office Equipment)**							
	December 2011	-	-	-	-	-	-	-
	March 2011	-	-	-	0.0	-	-	-
	2010	0.0	-	-	0.0	-	-	-
	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
	2007	-	-	-	-	-	-	-
28	**Guarantees given during the period/year [1]**							
	December 2011	587.1	7,091.4	-	-	-	-	-
	March 2011	291.8	(274.7)	-	-	-	-	-
	2010	(97.9)	(61.0)	-	-	-	-	-
	2009	234.0	1012.2	-	-	-	-	-
	2008	2,005.8	-	-	-	-	-	-
	2007	-	-	-	-	-	-	-
	Balances as at							

S. No.	Particulars	Parties mentioned in 6 (A) above	Parties mentioned in 6 (B) (i)	Parties mentioned in 6 (B) (ii) above	Parties mentioned in 6 (B) (iii) above	Parties mentioned in 6 (B) (iv) above	Parties mentioned in 6(B) (v) (a) & (b) above	Parties mentioned in 6 (B) (v) (c) above
								Currency: Indian Rupees in Millions
	period/ year end							
29	Interest Receivable							
	December 2011	6.4	-	-	-	-	-	-
	March 2011	15.2	1.0	0.6	-	-	-	-
	2010	-	2.9	-	-	-	-	-
	2009	-	-	-	-	-	-	-
	2008	0.1	-	-	-	-	-	-
	2007	-	-	-	-	-	-	-
30	Interest Accrued but not due- (Interest Payable)							
	December 2011	-	-	-	-	-	-	-
	March 2011	-	-	-	-	-	-	-
	2010	2.0	0.6	-	1.4	-	-	-
	2009	1.5	2.4	-	-	-	-	-
	2008	-	-	-	-	-	-	-
	2007	-	-	-	-	-	-	-
31	Loans availed							
	December 2011							
	March 2011	-	-	-	-	-	-	-
	2010	24.0	55.0	-	-	-	-	-
	2009	30.0	127.50	-	-	-	-	-
	2008	-	-	-	-	-	-	-
	2007	-	-	-	-	-	-	-
32	Sundry Debtors							
	December 2011	0.0	3.9	-	-	-	-	-
	March 2011	0.1	4.7	-	0.2	-	-	-
	2010	0.1	3.5	-	-	-	-	-
	2009	0.0	1.0	0.5	0.1	-	-	-
	2008	-	-	-	-	-	-	-
	2007	-	-	-	-	-	-	-
33	Sundry Creditors							
	December 2011	0.7	0.2	0.0	2.2	-	-	-
	March 2011	0.1	-	-	-	-	-	-
	2010	0.3	1.2	-	-	-	-	-
	2009	-	-	-	-	-	-	-
	2008	-	-	-	0.5	-	-	-
	2007	-	-	-	-	-	-	-
34	Amounts Recoverable							
	December 2011	3.0	21.1	-	18.3	-	-	-
	March 2011	1.1	-	-	-	-	-	-
	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
	2007	-	-	-	-	-	-	-
35	Loans given							
	December 2011	413.3	22.5	-	30.0	-	-	-
	March 2011	426.9	-	20.0	-	-	-	-
	2010	104.5	91.8	-	-	-	-	-
	2009	-	-	-	-	-	-	-
	2008	5.0	-	-	-	-	-	-
	2007	-	-	-	-	-	-	-
36	Guarantees given							
	December 2011	3020.8	7767.9	-	-	-	-	-
	March 2011	2,433.7	676.5	-	-	-	-	-
	2010	2,141.9	951.2	-	-	-	-	-

S. No.	Particulars	Parties mentioned in 6 (A) above	Parties mentioned in 6 (B) (i)	Parties mentioned in 6 (B) (ii) above	Parties mentioned in 6 (B) (iii) above	Parties mentioned in 6 (B) (iv) above	Parties mentioned in 6(B) (v) (a) & (b) above	Parties mentioned in 6 (B) (v) (c) above
								Currency: Indian Rupees in Millions
	2009	2,239.8	1,012.2	-	-	-	-	-
	2008	2,005.8	-	-	-	-	-	-
	2007	-	-	-	-	-	-	-
37	**Balance of Share Application Money Received**							
	December 2011	-	-	-	-	-	-	-
	March 2011	0.0	-	-	-	-	-	-
	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	2,250.0	-	-
	2008	-	-	-	-	-	-	-
	2007	-	-	-	-	-	1,609.3	634.8
38	Balance of Share Application Money Paid							
	December 2011	500.1	-	-	-	-	-	-
	March 2011	-	-	-	-	-	-	-
	2010	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
	2008	10.0	-	-	-	-	-	-
	2007	-	-	-	-	-	-	-

[1] Inclusive of Foreign currency exchange fluctuation.

The Company has given letter of support to its subsidiaries Tigers Connect Travel Systems & Solutions Ltd., Samvardhana Motherson Finance Services Cyprus Ltd. and Motherson Zanotti Refrigeration System Ltd. to enable them to continue their operations.

Also Letter of Comfort for loans taken by Motherson Auto Solutions Limited amounting Rs. 1,000.0 million and Motherson Zanotti Refrigeration System Limited amounting Rs. 250.0 million were given to banks during 2010-2011 which are outstanding as at nine months' interim period ended Dec 31, 2011 and Year Ended March 31, 2011.

The Company has committed further investments in Samvardhana Motherson Polymers Limited (SMPL), a joint venture of the company, for an aggregate amount of Rs. 392 Million (Euro 5.88 Million). The Company has also committed to provide debt funds to certain subsidiaries of SMPL, in proportion of its shareholding of 49%, in case of shortfall by respective Companies in meeting their debt obligations. The Company has further committed to bear the losses incurred by SMPL in proportion to its shareholding of 49% and finance costs in respect of loans guaranteed by the Company.

Names of related Party with whom transactions exceeds 10% of the total related party transactions of the same type in any of the reported year/ period.

S. No	Particulars	December 31, 2011	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
1	**Dividend received :**						
	Motherson Sumi Systems Limited	387.4	246.5	190.1	102.9	76.2	-
2	**Consultancy Income:**						
	Motherson Sumi Systems Ltd.	2.3	2.8	3.4	1.0	-	-
	Systematic Conscom Ltd.	-	0.2	-	0.5	-	-
	SMR Automotive Systems India Ltd	0.2	0.9	1.6	-	-	-
	Webasto Motherson Sunroofs Ltd.	-	-	2.0	-	-	-
	Motherson Air Travel Agencies Limited	-	-	-	0.5	-	-
3	**Guarantee Commission :(Income)**						
	Samvardhana Motherson Reflectec Group Holdings Ltd	-	1.5	1.8	-	-	-
4	**Investments made:**						
	Magneti Marelli Motherson Auto System Limited (Preference Shares)	110.0	158.0	-	-	0.5	-
	Motherson Auto Solutions Ltd.	-	-	296.0	-	-	-
	Motherson Sumi Systems Ltd.	-	-	1,522.2	3,130.8	-	-
	Nachi Motherson Precision Ltd.	-	63.7	-	-	-	-
	Samvardhana Motherson Finance Services Cyprus Ltd.	24.5	80.8	-	-	1.3	-
	Spheros Motherson Thermal System Limited	-	-	-	19.6	9.8	9.8
	Anest Iwata Motherson Limited	-	-	-	-	68.6	-
	Nachi Motherson Tool Technology Ltd	-	-	-	-	-	18.5
	Motherson Bergstrom HVAC Solutions Pvt. Ltd.	15.3	20.4	-	-	-	-
5	**Investments sold to related parties:**						
	Yaskawa Electric Corporation	-	49.3	-	-	-	-
	Webasto AG	28.4	-	-	-	-	-
	Magneti Marelli Motherson Holding India B.V	-	-	-	0.5	-	-
6	**Investments purchased from related parties:**						
	Sojitz Corporation	0.1	-	-	-	-	-
	Mr. Laksh Vaaman Sehgal	-	0.0	-	-	-	-
	Mrs. Renu Sehgal	-	0.0	0.5	-	0.2	0.1
7	**Share Application money received/ (refunded)**						
	Sojitz Corporation	-	-	(189.4)	2,250.0	-	-
	Mr. Laksh Vaaman Sehgal [1]	-	-	-	-	-	723.8
	Mr. Vivek Chaand Sehgal [1]	-	-	-	-	-	885.5
	Mrs. Renu Sehgal [1]	-	-	-	-	-	619.6
	Ms. Vidhi Sehgal [1]	-	-	-	-	-	7.8
	Mrs. Geeta Soni [1]	-	-	-	-	-	7.4
	Mr. Ashok Tandon [1]	-	-	-	-	-	0.0
8	**Shares allotted to related parties:**						
	Mr. Laksh Vaaman Sehgal [1]	-	-	408.3	351.6	723.8	-
	Mr. Vivek Chaand Sehgal [1]	-	-	430.6	234.6	885.5	-
	Mrs. Renu Sehgal [1]	-	-	585.7	505.9	619.6	-
	Ms. Vidhi Sehgal [1]	-	-	89.3	-	7.8	-
	Mrs. Geeta Soni [1]	-	-	-	-	7.4	-
	Mr. Ashok Tandon [1]	-	-	-	-	0.0	-
	Sojitz Corporation (Equity shares & Share Premium)	-	1,248.8	-	-	-	-

S. No	Particulars	December 31, 2011	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
	Sojitz Corporation (Preference shares & Share Premium)	-	-	2,060.6	-	-	-
	Samvardhana Employees Welfare Trust	270.9	-	59.9	-	-	60.0
9	**Advance against share application money :**						
	Samvardhana Motherson Finance Services Cyprus Ltd.	0.0	0.0	-	-	-	-
	Motherson Auto Solutions Limited	-	-	-	2.5	10.0	-
	Motherson Advanced Tooling Solutions Ltd.	89.0	-	-	-	-	-
	Samvardhana Motherson Holding (M) Pvt. Ltd.	81.1	-	-	-	-	-
	Motherson Timetooth Technologies Limited	-	-	-	-	4.0	5.6
	Fritzmeier Motherson Cabin Engineering Ltd.	-	-	-	-	15.0	-
	Magnetti Marelli Motherson Auto System	70.0	-	-	-	-	-
10	**Loan converted into shares/share application money:**						
	Magneti Marelli Motherson Auto System Ltd	40.0	63.0	27.0	-	0.5	-
	Motherson Auto Solutions Ltd.	330.0	-	-	-	-	-
	Tigers Connect Travel Systems & Solutions Ltd.	-	25.0	-	-	-	-
11	**Advance given as Equity & Refund for the same:**						
	Motoman Motherson Robotics Ltd	-	-	34.0	-	-	-
	Motherson Timetooth Technologies Ltd.	-	-	-	-	9.6	-
	Fritzmeier Motherson Cabin Engineering Ltd.	-	-	-	-	15.0	-
12	**Loan given during the year:**						
	Magnetti Marelli Motherson Auto System Ltd.	60.0	30.0	60.0	-	5.0	-
	Motherson Auto Solutions Ltd.	35.0	265.5	214.5	-	-	-
	Motherson Zanotti Refrigeration System Ltd.	44.4	50.0	27.0	-	-	-
	SMR Automotive Systems India Ltd	-	-	58.8	-	-	-
	Tigers Connect Travel Systems & Solutions Ltd.	21.5	48.5	30.0	-	-	-
	Southcity Motors Ltd.	-	-	-	-	20.0	-
	Spheros Motherson Thermal System Limited	-	-	20.0	-	5.0	-
	Saks Ancillaries Ltd.	270.0	-	-	-	-	-
	Motherson Advanced Tooling Solutions Limited.	-	-	-	10.0	-	-
	Nachi Motherson Tool Technology Limited	-	-	-	2.0	-	-
	Loan received back during the year						
13	Fritzmeier Motherson Cabin Engineering Ltd.	-	15.0	-	-	-	-
	Motherson Auto Solutions Ltd.	35.0	30.0	120.0	-	-	-
	Motherson Air Travel Agencies Ltd.	20.0	-	-	-	-	-
	MothersonSumi Infotech & Designs Ltd.	-	-	30.0	-	-	-
	Nachi Motherson Precision Ltd.	10.0					
	SMR Automotive Systems India Ltd	-	58.8	-	-	-	-
	Motherson Zanotti Refrigeration System Ltd.	20.0	-	17.0	-	-	-

S. No	Particulars	December 31, 2011	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
	Tigers Connect Travel Systems & Solutions Ltd		-	30.0	-	-	-
	Southcity Motors Ltd.	-	-	-	-	20.0	-
	Spheros Motherson Thermal System Limited	-	-	20.0	-	5.0	-
	Magnetti Marelli Motherson Auto System Limited	-	-	-	5.0	-	-
	Motherson Advanced Tooling Solutions Limited.	-	-	-	10.0	-	-
	Nachi Motherson Tool Technology Limited	-	-	-	2.0	-	-
14	**Loans availed during the year :**						
	Sumi Motherson Innovative Engineering Ltd	-	-	40.0	127.5	-	-
	Motherson Tradings Ltd.	-	-	-	49.5	-	-
	Saks Ancillaries Limited	-	-	-	30.0	-	-
	Renu Seghal	-	-	-	-	-	1.9
15	**Loans repaid during the year :**						
	Motherson Sumi Systems Limited [2]	-	49.5	-	-	-	-
	Saks Ancillaries Ltd.	-	24.0	6.0	-	-	-
	Sumi Motherson Innovative Engineering Ltd	-	55.0	112.5	-	-	-
	Renu Seghal	-	-	-	-	-	1.9
16	**Reimbursement of Expenses**						
	Payment made to:						
	Motherson Auto Ltd.	22.1	16.5	2.3	4.8	15.0	0.0
	Motherson Sumi Systems Ltd.	0.0	0.8	1.5	-	-	-
17	**Reimbursement of Expenses**						
	Recovery from :						
	Motherson Bergstrom HVAC Solutions Pvt. Ltd.	-	1.0	-	-	-	-
	Nachi Motherson Precision Ltd.	-	1.7	-	-	-	-
	Motherson Auto Ltd.	5.3					
	Spheros Motherson Thermal System Ltd.	4.3					
	Magnetti Marelli Motherson Auto System Ltd.	-	-	-	-	0.4	-
	Forgu Gmbh	15.7					
	Radha Rani Holdings Pte. Ltd	13.0					
18	**Interest income**						
	Magnetti Marelli Motherson Auto System Ltd.	1.1	1.2	3.2	0.0	0.1	-
	Nachi Motherson Tool Technology Ltd.	-	-	-	0.1	-	-
	Saks Ancillaries Ltd.	5.6	-	-	-	-	-
	Motherson Auto Solutions Ltd.	31.4	33.0	8.4	-	-	-
	Motherson Zanotti Refrigeration System Ltd.	6.8	4.9	0.6	-	-	-
	Southcity Motors Ltd.	-	-	-	-	0.1	-
19	**Interest Expenses**:						
	Motherson Tradings Ltd	-	0.2	3.8	2.1	-	-
	Saks Ancillaries Ltd.	-	0.1	2.3	1.5	-	-
	Sumi Motherson Innovative Engineering Ltd	-	0.2	9.7	2.4	-	-
20	**Professional Charges:**						
	Motherson Auto Ltd.	1.0	0.7	-	-	-	-

S. No	Particulars	December 31, 2011	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
21	**Travelling Expenses**						
	Motherson Air Travel Agencies Ltd.	2.6	1.6	1.3	-	-	-
22	**Rent paid:**						
	Motherson Auto Ltd.	0.0	0.0	0.0	0.0	-	-
	Motherson Sumi Systems Ltd.	0.1	-	-	-	-	-
23	**Interest Receivable**						
	Magnetti Marelli Motherson Auto System Ltd.	-	1.0	2.9	-	0.1	-
	Motherson Auto Solutions Ltd.	-	8.7	-	-	-	-
	Saks Ancillaries Ltd.	5.0	-	-	-	-	-
	Samvardhana Motherson Finance Services Cyprus Ltd.	1.4					
	Motherson Zanotti Refrigeration System Ltd.	-	4.1	-	-	-	-
24	**Interest Accrued but not due- (Interest Payable)**						
	Motherson Tradings Ltd.	-	-	1.4	0.5	-	-
	Saks Ancillaries Ltd.	-	-	2.0	1.5	-	-
	Sumi Motherson Innovative Engineering Ltd	-	-	0.6	2.4	-	-
25	**Computer Expenses/ Software expenses**						
	MothersonSumi Infotech & Designs Ltd.	0.2	0.0	0.0	-	0.5	-
26	**Printing & Stationery**						
	Systematic Conscom Ltd.	0.0	0.0	0.0	-	-	-
27	**Purchase of Fixed Assets (Computer)**						
	MothersonSumi Infotech & Designs Ltd.	-	0.3	0.1	-	-	-
28	**Purchase of Fixed Assets (Office Equipment)**						
	MothersonSumi Infotech & Designs Ltd.	-	-	0.0	-	-	-
	Systematic Conscom Ltd.	-	0.0	0.0	-	-	-
	Balance of Loans given, outstanding:						
29	Motherson Auto Solutions Ltd.	-	330.0	94.5	-	-	-
	Magnetti Marelli Motherson Auto System Ltd.	20.0	-	33.0	-	5.0	-
	Saks Ancillaries Ltd	270.0	-	-	-	-	-
	Motherson Zanotti Refrigeration System Ltd.	84.4	60.0	10.0	-	-	-
	SMR Automotive Systems India Ltd.	-	-	58.8	-	-	-
30	**Sundry Debtors, balance outstanding**						
	Motherson Sumi Systems Ltd.	0.3	0.7	0.0	1.0	-	-
	Samvardhana Motherson Reflectec Group Holdings Ltd	3.6	3.3	1.8	-	-	-
	SMR Automotive Systems India Ltd	-	0.6	0.1	-	-	-
	Webasto Motherson Sunroofs Ltd.	-	-	1.1	-	-	-
	Motherson Air Travel Agencies Limited	-	-	-	0.5	-	-
31	**Sundry Creditors , balance outstanding**						
	MothersonSumi Infotech & Designs Ltd.	0.2	-	0.3	-	0.5	-
	Magnetti Marelli Motherson Auto System Ltd.	0.2	-	1.2	-	-	-
	Tigers Connect Travel Systems & Solutions Ltd	-	0.1	0.1	-	-	-

S. No	Particulars	December 31, 2011	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
	Motherson Auto Ltd.	2.2	-	-	0.4	-	-
	Motherson Sintermetal Technology Ltd	0.5	-	-	-	-	-
32	**Amount Recoverable , balance outstanding**						
	Motherson Bergstrom HVAC Solutions Pvt. Ltd.		1.0	-	-	-	-
	Motherson Zanotti Refrigeration System Ltd.	1.7	-	-	-	-	-
	Spheros Motherson Thermal System Ltd.	4.3	-	-	-	-	-
	Motherson Auto Ltd.	5.3					
	Forgu Gmbh (subsidiary of Samvardhana Motherson Polymers Ltd)	15.7					
	Radha Rani Holdings Pte. Ltd	13.0					
33	**Loans availed, balance outstanding:**						
	Motherson Tradings Ltd.	-	-	49.5	49.5	-	-
	Saks Ancillaries Ltd.	-	-	24.0	30.0	-	-
	Sumi Motherson Innovative Engineering Ltd.	-	-	55.0	127.5	-	-
34	**Balance outstanding, Share application money pending allotment**						
	Motherson Auto Solutions Ltd.	330.0	-	-	-	10.0	-
	Samvardhana Motherson Holding (M) Pvt. Ltd.	81.1	-	-	-	-	-
	Motherson Advanced Tooling Solutions Ltd.	89.0	-	-	-	-	-
	Motherson Timetooth Technologies Limited	-	-	-	-	5.6	-
35	**Guarantees made/ outstanding:**						
(a)	Corporate Guarantee given to ICICI Bank, UK on behalf of wholly owned subsidiary, Samvardhana Motherson Finance Services Cyprus Limited [(December 2011:USD 16 Million), (March 2011:USD 16 Million), (2010: USD15 Million), (2009: USD15 Million), (2008: USD50 Million)] Actual loan amount outstanding Rs. 796.6 Million (March 2011 :Rs. 676.3), (2010: Rs.678.3), (2009: Rs. 780.0), (2008: Rs. 612.5) including interest accrued. Further the Company has executed Non Disposal Undertaking (NDU) for 16,500,000 (March 2011: 16,500,000), (2010: 27,500,000), (2009: 27,500,000) shares of Motherson Sumi Systems Limited (MSSL) held by the Company.	849.6	713.4	673.4	780.0	2,005.8	-
(b)	Corporate Guarantee given to ICICI Bank, UK on behalf of wholly owned subsidiary, Samvardhana Motherson Holding (M) Limited [December 2011: GBP 15.532 Million, (March 2011: GBP 15.532 Million), (2010: GBP 14.12 Million), (2009:GBP 14.12 Million)] Actual loan amount outstanding Rs. 1,180.1 Million (March 2011: Rs. 1,014.6), (2010: Rs. 967.8), (2009: Rs. 1049.8) including interest accrued. Further the Company has executed Non Disposal Undertaking (NDU) for 23,100,000 (March 2011: 23,100,000), (2010: 27,100,000), (2009: 37,500,000) shares of MSSL held by the Company.	1281.3	1,110.3	1,058.5	1,049.8	-	-
(c)	Corporate Guarantee to SBI, UK on behalf of Samvardhana Motherson Reflectec Group Holdings Limited, a joint venture of the Company [December 2011:Euro 9.8 millions), (March 2011:Euro 9.8 millions),	676.9	621.6	896.2	1,012.2	-	-

S. No	Particulars	December 31, 2011	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
	(2010: Euro 14.7 millions), (2009: Euro 14.7 millions)] together with interest accrued, to the extent of Company's economic interest. Actual loan amount outstanding Rs. 676.9 million (March 2011: Rs. 621.6 Million), (2010: Rs. 896.2 million), (2009: Rs. 1012.2 million) including interest accrued						
(d)	Corporate Guarantee given to Standard Chartered Bank, UK acting as security agent for syndicated loan facility on behalf of Samvardhana Motherson Global Holdings Limited, Forgu Gmbh, Samvardhana Motherson B.V., joint ventures of the company for an amount of 1.1 times of USD equivalent of Euro 93 million. Actual Amount outstanding Rs.6,301.9 million (March 2011 and all previous years/Periods: Rs. Nil) including interest accrued.	7031.9	-	-	-	-	
(e)	Corporate Guarantee to SBI, New Delhi on behalf of Motherson Advanced Tooling Solutions Limited, wholly owned subsidiary. Actual amount outstanding against the facility Rs. 337.5 Million (March 2011: Rs 347.9 Million), (2010: Rs 327.9), (2009: Rs. NIL) including interest accrued.	410.0	410.0	410.0	410.0	-	-
(f)	Corporate Guarantee to Standard Chartered Bank, New Delhi Actual amount outstanding against the facility Rs NIL (Previous year/periods Rs Nil) including interest accrued, both on behalf of Motherson Advanced Tooling Solutions Limited, wholly owned subsidiary.	280.0	-	-	-	-	-
(g)	Corporate Guarantee to Axis Bank, Noida on behalf of Spheros Motherson Thermal Systems Limited. Actual amount outstanding against the facility Rs. 0.7 Million (March 2011:Rs 8.3 Million), (2010 Rs.2.7)	33.0	33.0	33.0	-	-	-
(h)	Counter Guarantee to Nissin Electric Company (NEC), Japan for the loans availed by Nissin Advance Coating Indo Co. Limited (NACICL) and guaranteed by NEC, to the extent of our interest in the joint venture i.e. 49%. Actual amount of loan outstanding against the facility to the extent of our share Rs. 14.2 Million (March 2011: Rs 13.9), (2010 Rs 18.2) including interest accrued.	26.0	21.8	22.0	-	-	-
(i)	Corporate Guarantee to Yes Bank, Noida on behalf of Motherson Climate System Limited, a subsidiary of the Company. Actual Amount outstanding against facility Rs 96.3 Million (March 2011 :Rs 34.2 Million)	200.0	200.0	-	-	-	-
36	**Letter of Comfort:**						
(a)	Motherson Auto Solutions Limited	1000.0	1,000.0	-	-	-	-
(b)	Motherson Zanotti Refrigeration System Limited	250.0	250.0	-	-	-	-
37	**Remuneration to Key Management Personnel**						
	a) Manoj Maheshwari	-	2.2	1.2	-	-	-
	b) Himanshu Bindal	0.6	0.3	-	-	-	-
	b) Ashok Tandon	1.9	-	-	-	-	-

[1] Refer Note (1) of this Annexure (V).

[2] Represents loan taken from Motherson Tradings Limited, a subsidiary of Motherson Sumi Systems Limited (MSSL) which was amalgamated with MSSL during 2010-11.

7. The Company is Group holding company to hold/ make investment in group companies and provides certain services to its group companies as a part of its business. Services provided include centralized corporate communication services and are disclosed as consultancy income in the profit and loss account. There is only one business segment which is based in India.

8. The Company has the following unhedged foreign currency exposures*::-

	As at December, 2011	As at March, 2011	As at March, 2010	As at March, 2009	As at March, 2008	As at March, 2007
	Payable/ (Receivable)	Payable/ (Receivable)	Payable/ (Receivable)	Payable/ (Receivable)	Payable/ (Receivable)	Payable/ (Receivable)
Loan given:						
USD in Millions	(0.3)	(0.3)				
Equivalent INR in Millions	(15.9)	(13.4)				
Guarantee Commission outstanding:						
Euro in Millions	(0.1)	(0.1)	(0.0)	-	-	-
Equivalent INR in Millions	(3.6)	(3.3)	(1.8)	-	-	-

*Assets / (Liabilities)

9. During the nine months' interim period ended December 31, 2011, the Company has allotted 5,200,000 (Previous year 53,539,843) equity shares of Rs. 10 each fully paid up at a premium of Rs. 42.10 each to Samvardhana Employees Welfare Trust.

During the year ended March 31, 2011, the Company has allotted 53,539,843 equity shares of Rs. 10/- each fully paid up consequent to the conversion of the 124,882,670 fully convertible preference shares at a premium of Rs. 13.33/- each to Sojitz Corporation.

During 2009-10, the Company allotted following shares:

a. 2,850,000 Equity Shares of Rs. 10/ each fully paid up at a premium of Rs. 11/- each to Samvardhana Employee Welfare Trust.

b. 18,480,515; 17,523,691; 25,135,966 and 3,832,146 Equity Shares of Rs. 10/ each at a premium of Rs. 13.30/- each fully paid up to Vivek Chaand Sehgal, Laksh Vaaman Sehgal, Renu Sehgal and Vidhi Sehgal, respectively.

c. 124,882,670, 0% Fully Compulsorily Convertible Preference Shares of Rs. 10/- each at a premium of Rs. 6.50/- each fully paid up to Sojitz Corporation.

During 2008-09 the Company allotted 15,090,100, 21,712,400 and 10,068,600 Equity Shares of Rs. 10/- each fully paid up at a premium of Rs. 13.30/- each to Laksh Vaaman Sehgal, Renu Sehgal and Vivek Chaand Sehgal respectively.

During 2007-08, the Company allotted 292,130,594 Equity Shares of Rs. 10/- each fully paid up to the Shareholders of Motherson Consultancy Private Limited on account of Merger.

During 2006-07, the Company allotted 6,000,000 Equity Shares of Rs. 10/- each fully paid up to the Samvardhana Employee Welfare Trust and also cancelled 1,400,000 Equity Shares of Rs. 10/- each held by Motherson Consultancy Private Limited on account of Merger.

10. **Interest in Joint Ventures:**

(a) The Company's interests as a venturer in jointly controlled entities are as under:

Name of the Company	Country of Incorporation	% voting power held as at December 31, 2011	% voting power held as at March 31, 2011	% voting power held as at March 31, 2010	% voting power held as at March 31, 2009	% voting power held as at March 31, 2008	% voting power held as at March 31, 2007
Samvardhana Motherson Global Holding Limited (SMGHL) (% held By Samvardhana Motherson Holding (M) Private Ltd.)[1]	Cyprus	49.00%[1]	49.00%[1]	49.00%[1]	49.00%[1]	-	-
Motherson Sumi Systems Ltd (MSSL)	India	36.12%*	36.34%*	37.60%	34.39%	21.43%*	21.62%
Anest Iwata Motherson Coating Equipment Ltd.	India	49.00%	49.00%	49.00%	49.00%	49.00%	49.00%
Sumi Motherson Innovative Engineering Ltd.	India	-	16.08%	16.08%	16.08%	16.08%	16.08%
Anest Iwata Motherson Ltd.	India	49.00%	49.00%	49.00%	49.00%	49.00%	49.00%
Motherson Techno Tools Ltd.	India	14.34%	14.34%	14.34%	14.34%	14.34%	14.34%
Webasto Motherson Sunroofs Ltd.[4]	India	-	49.00%	48.88%	48.88%	48.75%	48.75%
Motoman Motherson Robotics Ltd.[2]	India	-	34.00%[2]	34.00%	34.00%	34.00%	33.00%
AES (India) Engineering Ltd.	India	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%
Motherson Auto Engineering Service Ltd. (formerly Miyazu Motherson Engineering Design Ltd.) [3]	India	-	-	35.00%	35.00%	34.00%	34.00%
Spheros Motherson Thermal System Ltd.	India	49.00%	49.00%	49.00%	49.00%	49.00%	49.00%
Matsui Technologies India Ltd.	India	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Fritzmeier Motherson Cabin Engineering Ltd.(Jointly with Samvardhana Motherson Finance Services Cyprus Ltd	India	50.00%	50.00%	50.00%	50.00%	50.00%	-
Nissin Advanced Coating Indo Co. Limited.(Jointly with Samvardhana Motherson Finance Services Cyprus Ltd	India	49.00%	49.00%	49.00%	49.00%	100.00%**	-
Magneti Marelli Motherson Auto System Ltd (% held by Magneti Marelli Motherson Holding B.V.)	India	100.00%	100.00%	100.00%	100.00%	-	-
Magneti Marelli Motherson Holding B.V. (% held by Samvardhana Motherson Finance Services Cyprus Ltd)[5]	Netherlands	50.00%	50.00%	50.00%	50.00%	50.00%	-
CTM India Ltd.	India	41.00%	41.00%	41.00%	-	-	-
Nachi Motherson Precision Limited	India	49.00%	49.00%	-	-	-	-

Name of the Company	Country of Incorporation	% voting power held as at December 31, 2011	% voting power held as at March 31, 2011	% voting power held as at March 31, 2010	% voting power held as at March 31, 2009	% voting power held as at March 31, 2008	% voting power held as at March 31, 2007
Air Factory Energy Ltd.(held by Anest Iwata Motherson Ltd)	India	100.00%	100.00%	100.00%	100.00%	100.00%	
Motherson Techno Tools Mideast FZE. (% held by Motherson Techno tools Limited)	UAE	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Samvardhana Motherson Polymers Limited	India	49.00%	-	-	-	-	-

Note: Reporting dates used for consolidation are 31st December 2011 and 31st March of the respective years unless otherwise stated.

[1] 49% held by Company and 51% held by MSSL.
[2] Up to January 31, 2011.Refer note 12 below.
[3] Consequent to the acquisition of balance shares in the Company in 2010-11, the same has been accounted as a subsidiary from the year ended March 31, 2011.
[4] Refer Note 13 Below.
[5] Reporting date used is December 31 in respective periods/ year.

*Shareholding diluted on account of conversion of Zero Coupon Foreign Currency Convertible Bonds into equity.
** Although Nissin Advanced Coating Indo Co. Ltd. (NACICL) is a Joint venture company, in which the Company holds 49% of the equity, but at March 31, 2008, the Company held 100% capital, since remittance from the Joint venture was received subsequent to the Balance sheet date. Accordingly, NACICL has been disclosed as subsidiary in the restated financial information.

(b) The following amounts represent the Company's share of assets and liabilities as at respective year ends and revenue and expenses for the years / period ended on respective dates, of the joint ventures being jointly controlled entities, as indicated in paragraph 10 (a) above and as incorporated in the restated consolidated financial information of the Company:

Currency: Indian Rupees in Millions

Description	As at and For the Period/Years ended					
	December 31, 2011	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
Assets						
Fixed Assets	32,644.6	10,348.2	9,143.0	8,743.3	1,576.5	1,217.8
Capital Work in Progress	3,819.8	2,640.5	803.0	750.1	128.5	40.4
Investments	2,113.5	383.2	387.5	414.6	10.6	10.3
Current Assets	44,012.1	17,301.9	14,369.3	12,930.9	2,369.0	1,716.0
Liabilities						
Secured Loans	31,045.7	5,458.2	4,514.3	3,652.6	375.2	253.2
Unsecured Loans	3,886.3	1,550.2	745.3	1,215.6	779.9	751.6
Current Liabilities & Provisions	32,293.9	13,017.4	11,116.2	11,636.8	1,359.1	925.3
Deferred Tax (Net)	346.5	(107.9)	(40.2)	118.1	11.9	19.3
Reserves & Surplus	8,437.5	8,223.6	6,183.8	3,533.0	1,115.8	805.5
Revenue						
Sales	57,524.0	54,168.7	47,932.8	8,233.1	4,850.5	642.1
Other Income	508.5	776.3	2,053.0	944.8	142.4	13.9
Expenditure	58,217.3	51,870.8	48,397.3	8,314.2	4,458.4	592.3
Profit / (Loss) before Tax	(184.8)	3,074.2	1,588.5	863.7	534.5	63.7
Provision for Tax	1,017.9	862.7	489.6	104.9	131.9	20.7
Share of Profit/ (Loss) in Associate	(9.1)	0.7	0.8	(0.7)	0.5	0.1
Profit / (Loss) after Tax	(1,211.8)	2,212.2	1,099.7	758.1	403.1	43.1
Contingent Liabilities						
- In respect of Excise, Sales tax & Service tax matters	69.8	426.8	69.7	46.5	33.9	26.3
- Bank Guarantees	99.6	130.5	86.0	29.1	23.0	58.8
Capital Commitment	1,544.9	1,399.6	280.0	240.1	129.0	45.5
Corporate Guarantee given on behalf of joint ventures	7,767.9	676.5	951.2	1,012.2	-	-

The Company has committed further investments in Samvardhana Motherson Polymers Limited (SMPL), a joint venture of the Company, for an aggregate amount of Rs. 392 Million (Euro 5.88 Million). The Company has also committed to provide debt funds to certain subsidiaries of SMPL, in proportion of its shareholding of 49%, in case of shortfall by respective Companies in meeting their debt obligations. The Company has also committed to bear the losses incurred by SMPL in proportion to its shareholding of 49% and finance costs in respect of loans guaranteed by the Company.

11. There is no lease commitment as at December 31, 2011,March 31, 2011, March 31, 2010, March 31, 2009, March 31, 2008 and March 31, 2007.

12. During the year ended March 31, 2011, the Company sold its investments held in Motoman Robotics Limited, a jont venture company for a consideration of 49.3 million, resulting in a net gain on disposal of Rs. 43.9 millions.

13. The Company entered into an agreement for termination of the Joint Venture Agreement on April 4, 2011 with Webasto AG Germany for sale of its entire 49% business stake in Joint Venture Company Webasto Motherson Sunroofs Ltd. The Company received consideration amounting to Rs. 28.4 million. There is no profit/loss on sale of such shares.

14. During the period ended December 31, 2011, a scheme of merger of Sumi Motherson Innovative Engineering Ltd (SMIEL) (a joint venture of the Company) with Motherson Sumi Systems Ltd (MSSL), another joint venture of the Company, approved by the Board of Directors, was filed with Honorable High Court of Delhi. Subsequent to the period end, the scheme has been approved by the Honorable High Court and application has been filed with the Registrar of the Companies on March 31, 2012. In accordance with the scheme, the Company shall receive 10 shares of Rs 1 each fully paid up of MSSL for every 57 equity shares of Rs 10 each held by the Company in SMIEL on the applicable date i.e. April 1, 2011, The effect of the scheme has been given to in their financial statements and accordingly, the investment of MSSL stands increased by 711,569 equity shares w.e.f. April 1, 2011 which are pending to be issued by MSSL in favour of the Company at December 31, 2011. Any further directions, explanations or clarifications consistent with the above shall be obtained from the Hon'ble High Court as may be required.

15. During the period ended December 31, 2011, the Company has agreed to invest in 49,400 equity shares of Motherson Sintermetal Technology Limited (MSTL) as a subscribers to the Memorandum of Association of MST. The Board of Directors of MSTL have also approved the allotment of shares to the Subscribers of Memorandum of Association on December 22, 2011. Accordingly, MSTL has been treated as a subsidiary in the financial information. Subsequent to December 31, 2011, the Company has invested an amount of Rs. 0.5 million in MSTL thereby acquiring 98.8% equity shareholder in MSTL. The Company has entered into an agreement dated March 15, 2012 with the current owner of Sintermetal S.A, a Spanish Company pursuant to which Sintermetal S.A shall become a wholly owned subsidiary of MSTL and the current owner of Sintermetal S.A shall hold 49% shareholding in MSTL.

16. During 2006-2007, the Company had established a trust namely "Samvardhana Employees Welfare Trust" ("the Trust") for welfare of the employees of the Company and its affiliate companies and for the purposes of establishing, instituting, administrating, managing, implementing and all other matters incidental to the employee stock option plans and/or any other Share Issue Scheme, by whatever name called, introduced or offered by the Company from time to time. The Company had contributed a sum of Rs. 0.5 Million towards initial corpus fund of the Trust which was expensed. The Trust buys and sells shares of the Company from/to employees of group companies and others at a valuation obtained by the Company.

17. Directors of the Company are entitled, in terms of a shareholders' resolution passed during the period ended December 31, 2011, to a remuneration upto 1% of the net profits of the Company computed in accordance with relevant provision of the Companies Act, 1956. However, no provision for directors' remuneration has been made in these financial information since the remuneration payable, if any, will be decided by the Board of Directors of the Company depending upon full year's results.

18. During the period ended December 31,2011, the Company commenced process of an Initial Public Offer of its shares by way of issue of additional shares and an offer of sale of shares by Radha Rani Holdings Pte Ltd. Share issue expenses incurred for the reissue of additional shares till the balance sheet date aggregating Rs. 54.5 million (net) have been accumulated under the head "Miscellaneous Expenditure not written off or adjusted" to be charged against securities premium account on successful completion of the share issue, in terms of section 78 of the Companies Act, 1956 or to otherwise charge off such expenditure to the Profit & Loss Account. The Company had an option to charge such expenditure to Profit & Loss Account for the period ended December 31, 2011. Had such amount been already charged to Profit & Loss Account, Profit before tax would have been lower by Rs. 54.5 million and Profit after tax and Reserves and Surplus would have been respectively lower by Rs. 38.1 million. Also, in terms of the objects of the issue, the Company has debited Rs. 13.0 million being proportionate share of share issue expenses, to Radha Rani Holdings Pte. Ltd., the selling shareholder.

19. The period 2006-2007 was seventeen months and included amounts in respect of erstwhile MCPL for two months i.e. February 1, 2007 to March 31, 2007 consequent to the amalgamation. Further the period ended December 31, 2011 is for nine months only. Hence financial information for these accounting periods is not comparable with other reporting periods of twelve months each.

20. Previous years'/period figures have been regrouped/ rearranged to conform to figures as of and for the nine months' interim period ended December 31, 2011.

21. Subsequent to the approval of this restated stand-alone financial information on April 11, 2012 by the Board of Directors of the Company, it is now further clarified that the scope of work and the terms of

agreement of the statutory auditors, as agreed with the management of the Company, are not in variance with relevant provisions of the Companies Act, the SEBI Act and the (Revised) Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India, respectively. This revised restated stand-alone financial information has been approved by the Board of Directors of the Company by way of a circular resolution on April 19, 2012.

Annexure VI - Statement on Adjustments to Audited Financial Statements of Samvardhana Motherson Finance Limited

Summarized below are the restatement adjustments made to the audited financial statements for the nine months' interim period ended December 31, 2011 and years endedMarch 31, 2011, March 31, 2010, 2009, 2008 and seventeen months period ended March 31, 2007 and their impact on the profit / (loss) of the Company:

Particulars	Period Ended December 31, 2011	FOR THE YEAR/ PERIOD ENDED MARCH 31,				
		2011	2010	2009	2008	2007
						Currency: Indian Rupees in Millions
A. Adjustments						
i) Material Restatement Adjustments						
(Excluding those on account of changes in accounting policies):						
Material amounts relating to provision for diminution in carrying value of long term investments (charged)/written-back (Refer Note 1 below)	-	13.9	12.5	(5.1)	(20.9)	(0.5)
Provision (expense)/ (Credit) for penalty (Refer Note 2 below)	1.0	-	-	-	(1.0)	-
Impact (income) of amalgamation (Refer Note 3 below)	-	-	-	-	-	0.1
Impact of current tax (expense)/write backs of earlier years (Refer Note 4 below)	-	0.0	(0.0)	(0.0)	-	(0.0)
Deferred tax adjustments (charged)/credited (Refer Note 5 below)	-	0.2	(0.2)	-	-	-
Total	**1.0**	**14.1**	**12.3**	**(5.1)**	**(21.9)**	**(0.4)**
ii). Adjustments on account of changes in accounting policies	-	-	-	-	-	-
iii). Adjustments on account of changes in Audit qualifications	-	-	-	-	-	-
Total Adjustments (A)	**1.0**	**14.1**	**12.3**	**(5.1)**	**(21.9)**	**(0.4)**

Notes to Adjustments:

1. Provision for diminution in value of investments made during the years 2009-10 and 2010-2011 has been pushed back to the earlier years considering the losses incurred by investee companies upto those respective years, in accordance with The SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 issued by Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time. There is no current tax or deferred tax impact of these adjustments.

2. During the year 2009-10, the Company received a letter of intimation from RBI regarding contravention of certain regulations issued under Foreign Exchange Management Act, 1999 in respect of the investments made by one of its overseas subsidiary in India. The Company had made a compounding application to RBI for the aforesaid matter which was rejected by RBI. Further, the Company has received communications from Directorate of Enforcement, Ministry of Finance, seeking information from time to time, which has been provided by the Company. During the period ended December 31, 2011, based on a fresh application for compounding made by the Company, the RBI has imposed a penalty of Rs. 1.0 Million which has been paid by the Company and has been adjusted in the year ended March 31, 2008, when the first overseas investment was made by the Company. There is no current tax

or deferred tax impact of this adjustment. The matter has been resolved subject to compliance of certain conditions by the Company.

3. Impact of amalgamation for the period February 1, 2007 to March 31, 2007 adjusted above as referred to in Note 1 on Annexure V. These were not accounted for in the audited financial statements since the amalgamation became effective on February 4, 2008 with retrospective effect from February 1, 2007.

4. The Profit & Loss account of some years include amounts paid/ provided for or refunded/ written back, in respect of shortfall/ excess current tax arising upon filing of tax returns, assessments etc. which have now been adjusted in the respective years to which they relate.

5. Deferred tax asset recognised in March 31, 2010 was reversed in March 31, 2011 in absence of reasonable certainty of realization considering the business of the Company. The same has, accordingly, been adjusted in year ended March 31, 2010.

Opening Reserves (April 1, 2006) Reconciliation

Particulars	Amount Currency: Indian Rupees in millions
Balance in Profit and Loss account as per audited Balance Sheet as at April 1, 2006	(0.4)
Current tax expense of earlier years reduced (refer Note 4 above)	0.0
Deferred tax impact of above adjustments	-
Balance as per restated financial information as at April 1, 2006	**(0.4)**

B. Non adjusting items

Auditors' Qualifications/Modifications – not requiring adjustments

Emphasis of Matter in the auditors' report for the financial year ended March 31, 2010:

Without qualifying our opinion, we refer to note B(2) on Schedule XIV regarding applicability of provisions relating to registration of the Company as a Non-Banking Financial Company(NBFC) under section 45IA of the Reserve Bank of India Act,1934 (RBI Act) and notice received from the Reserve Bank Of India for certain contravention. In respect of the matter relating to registration of the Company as a NBFC, the Company has been legally advised that the provisions of Section 45-IA of the RBI Act are not attracted in relation to the investments of the Company in group companies. Accordingly, the Company has proceeded on the basis that it does not need registration under the RBI Act as at March 31, 2010.

Management Comments: The matter has been explained in Note 4 in Annexure V. The Company has taken appropriate steps and made application with the RBI to register as a 'Core Investment Company' in accordance with the guidelines issued in 2009-10. Also refer adjustment 2 above.

Annexure VII- Restated Statement of Fixed Assets of Samvardhana Motherson Finance Limited

Period ended December 2011

Currency: Indian Rupees in Millions

Particulars	Gross Block			Depreciation			Net Block	
	As at April 1, 2011	Addition During the Period	Total as at December 31, 2011	As at April 1, 2011	During the period	Total as at December 31, 2011	As at December 31, 2011	As at March 31, 2011
Computers	0.5	0.1	0.6	0.2	0.1	0.3	0.3	0.3
Electrical Installations	0.0	-	0.0	0.0	0.0	0.0	0.0	0.0
Furniture	0.0	-	0.0	0.0	0.0	0.0	0.0	0.0
Office Equipment	0.0	-	0.0	0.0	0.0	0.0	0.0	0.0
Total	**0.5**	**0.1**	**0.6**	**0.2**	**0.1**	**0.3**	**0.3**	**0.3**

2010-11

Currency: Indian Rupees in Millions

Particulars	Gross Block			Depreciation			Net Block	
	As at April 1, 2010	Addition During the year	Total as at March 31, 2011	As at April 1, 2010	During the year	Total as at March 31, 2011	As at March 31, 2011	As at March 31, 2010
Computers	0.2	0.3	0.5	0.1	0.1	0.2	0.3	0.1
Electrical Installations	0.0	-	0.0	0.0	0.0	0.0	0.0	0.0
Furniture	0.0	-	0.0	0.0	0.0	0.0	0.0	0.0
Office Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	**0.2**	**0.3**	**0.5**	**0.1**	**0.1**	**0.2**	**0.3**	**0.1**

2009-10

Currency: Indian Rupees in Millions

Particulars	Gross Block			Depreciation			Net Block	
	As at April 1, 2009	Addition During the year	Total as at March 31, 2010	As at April 1, 2009	During the year	Total as at March 31, 2010	As at March 31, 2010	As at March 31, 2009
Computers	0.0	0.2	0.2	0.0	0.1	0.1	0.1	0.0
Electrical Installations	**-**	0.0	0.0	-	0.0	0.0	0.0	-
Furniture	**-**	0.0	0.0	-	0.0	0.0	0.0	-
Office Equipment	-	0.0	0.0	-	0.0	0.0	0.0	-
Total	**0.0**	**0.2**	**0.2**	**0.0**	**0.1**	**0.1**	**0.1**	**0.0**

2008-09

Currency: Indian Rupees in Millions

Particulars	Gross Block			Depreciation			Net Block	
	As at April 1, 2008	Addition During the year	Total as at March 31, 2009	As at April 1, 2008	During the year	Total as at March 31, 2009	Total as at March 31, 2009	As at March 31, 2008
Computers	-	0.0	0.0	-	0.0	0.0	0.0	-
Total	**-**	**0.0**	**0.0**	**-**	**0.0**	**0.0**	**0.0**	**-**
2007-08					**NIL**			
2006-07					**NIL**			

Annexure VIII - Restated Statement of Investments of Samvardhana Motherson Finance Limited

Particulars	As at December 31,	As at March 31,				
	2011	2011	2010	2009	2008	2007
						Currency: Indian Rupees in Millions
QUOTED (Long Term - Trade Investments) at cost.						
Equity Shares						

Particulars	As at December 31,	As at March 31,				
	2011	2011	2010	2009	2008	2007
					Currency: Indian Rupees in Millions	
Motherson Sumi Systems Limited	9,666.7	9,528.8	9,528.8	8,006.7	4,875.9	4,875.9
Munjal Showa Limited*	-	-	-	0.3	0.3	0.3
MothersonSumi INfotech & Designs Limited **	-	-	-	-	22.1	22.1
Total (a)	**9,666.7**	**9,528.8**	**9,528.8**	**8,007.0**	**4,898.3**	**4,898.3**
UNQUOTED (Long Term - Trade Investments) at cost						
Equity Shares						
Samvardhana Motherson Finance Services Cyprus Limited	106.6	82.1	1.3	1.3	1.3	-
Samvardhana Motherson Holding (M) Pvt. Limited	65.5	65.5	65.5	64.1	-	-
Motherson Zanotti Refrigeration System Limited	10.5	10.5	10.5	0.5	0.5	-
Motherson Machinery and Automations Limited	5.0	5.0	5.0	2.5	0.5	0.5
Nachi Motherson Tool Technology Limited	18.5	18.5	18.5	18.5	18.5	18.5
Motherson Molds and Diecasting Limited	34.7	34.7	34.7	34.7	0.5	0.5
SAKS Ancillaries Limited	29.1	29.1	29.1	29.0	29.0	29.0
Samvardhana Motherson Virtual Analysis Limited (formerly known as Motherson Timetooth Technologies Limited)	20.5	20.5	20.5	0.5	0.5	6.1
Motherson Advanced Tooling Solutions Limited	200.0	200.0	200.0	200.0	-	-
Tigers Connect Travel Systems & Solutions Limited (formerly known as Motherson Automation Technology Limited)	10.0	10.0	5.1	5.1	0.5	0.5
Motherson Auto Solutions Limited	296.0	296.0	296.0	12.5	10.0	-
MothersonSumi INfotech & Designs Limited	101.6	101.6	101.6	22.8	-	-
Motherson Climate System Limited	20.0	20.0	20.0	-	-	-
Motherson Auto Engineering Service Limited (formerly known as Miyazu Motherson Engineering Design Limited)	11.9	11.9	11.9	11.9	11.9	11.9
Motherson Bergstrom HVAC Solution Private Limited	35.7	20.4	-	-	-	-
Samvardhana Motherson Finance Services Cyprus Limited	0.0	0.0	-	-	-	-
Nissin Advanced Coating Indo Co. Limited	0.5	0.5	0.5	0.5	0.5	-
Magneti Marelli Motherson Auto System Limited *	-	-	27.0	-	0.5	-
AES (India) Engineering Limited	2.1	2.1	2.1	2.1	2.1	2.1
Spheros Motherson Thermal System Limited	29.9	29.9	29.9	29.9	10.3	0.5
Matsui Technologies India Limited	20.0	20.0	10.0	10.0	10.0	10.0
Anest Iwata Motherson Coating Equipment Limited	1.0	1.0	1.0	1.0	1.0	1.0
Systematic Conscom Limited	1.2	1.2	1.2	1.2	1.2	1.2
Motherson Air Travel Agencies Limited	24.1	24.1	24.1	24.1	24.1	24.1
Sumi Motherson Innovative Engineering Limited ***	-	133.7	133.7	133.7	133.7	133.7
Anest Iwata Motherson Limited	121.5	121.5	121.5	82.3	82.3	13.7
Motherson Techno Tools Limited	81.1	81.1	81.1	81.1	81.1	81.1
Webasto Motherson Sunroofs Limited *	-	25.6	25.5	25.5	5.9	5.9
ASI Motherson Communication Solutions Limited (under liquidation) ****	-	-	0.0	0.0	0.0	0.0
Motoman Motherson Robotics Limited *	-	-	5.5	5.5	5.5	5.3
Fritzmeier Motherson Cabin Engineering Limited	4.0	4.0	4.0	4.0	4.0	-
CTM India Limited	70.8	70.8	70.8	-	-	-
Nachi Motherson Precision Limited	63.7	63.7	-	-	-	-
Samvardhana Motherson Polymers Limited	5.0	-	-	-	-	-
Samvardhana Motherson Holding (M) Pvt.	81.1	-	-	-	-	-

Particulars	As at December 31,	As at March 31,				
	2011	2011	2010	2009	2008	2007
						Currency: Indian Rupees in Millions
Limited (Share application money)						
Motherson Auto Solutions Limited (Share application money)	330.0	-	-	-	-	-
Motherson Advanced Tooling Solutions Limited (Share application money)	89.0	-	-	-	-	-
Motherson Sintermetal Technology Limited (MSTL)	0.5					
Total (b)	**1891.1**	**1,505.0**	**1,357.6**	**804.3**	**435.4**	**345.6**
Preference shares						
Samvardhana Motherson Holding (M) Pvt. Limited (redeemable)	32.7	32.7	32.7	-	-	-
Motherson Advanced Tooling Solutions Limited (7% optionally convertible cumulative redeemable)	23.0	23.0	-	-	-	-
Tigers Connect Travel Systems & Solutions Limited (formerly known as Motherson Automation Technology Limited) (7% optionally convertible cumulative redeemable)	45.0	45.0	20.0	-	-	-
MothersonSumi INfotech Design Limited (7% non-convertible cumulative redeemable)	27.5	27.5	27.5	27.5	27.5	27.5
Spheros Motherson Thermal System Limited (5% optionally convertible non-cumulative redeemable)	9.3	9.3	9.3	9.3	9.3	9.3
Anest Iwata Motherson Coating Equipment Limited (3% optionally convertible cumulative redeemable)	2.7	3.9	3.9	3.9	3.9	3.9
Anest Iwata Motherson Limited (1% optionally convertible redeemable)	13.7	13.7	13.7	13.7	13.7	13.7
Anest Iwata Motherson Limited (6% optionally convertible cumulative redeemable)	10.3	10.3	10.3	10.3	10.3	10.3
Anest Iwata Motherson Limited (3% optionally convertible redeemable)	36.0	36.0	36.0	36.0	36.0	36.0
Webasto Motherson Sunroofs Limited (5% optionally convertible non-cumulative redeemable) *	-	11.8	11.8	11.8	11.8	11.8
Magneti Marelli Motherson Auto System Limited (0% compulsorily convertible non-cumulative)	295.0	185.0	-	-	-	-
Total (c)	**495.2**	**398.2**	**165.2**	**112.5**	**112.5**	**112.5**
Provision for diminution in value of investments (d)	**(99.2)**	**(97.7)**	**(67.8)**	**(26.5)**	**(21.4)**	**(0.5)**
Investment in Mutual funds						
SBI Premium Liquid Fund- SI- Daily Dividend	-	-	500.0	-	-	-
SBI SHF Ultra Short Term Fund- IP- Daily Dividend	-	25.0	31.3	-	-	-
HDFC Liquid Fund Premium Plan- Daily Dividend	20.5	-	-	-	-	-
UTI Liquid Cash Plan Institutional- Daily Dividend	40.0	-	-	-	-	-
Total (e)	**60.5**	**25.0**	**531.3**	**-**	**-**	**-**
Total as per schedule (a+b+c+d+e)	**12,014.3**	**11,359.3**	**11,515.1**	**8,897.3**	**5,424.8**	**5,355.9**
Total of Market Value of Quoted investments as at the respective year end [@]	**19,288.9**	**30,252.0**	**17,463.9**	**8,211.0**	**8,430.0**	**5,461.4**

Note: Refer Note 2 on Annexure V and also Annexure XIA. Also refer Annexure 3- Statement of Cash Flows for sources of funds for investments made.

[@]Market Value in Mothersonsumi Infotech & Designs Limited is not available as at March 31, 2007 & March 31, 2008 and hence has been considered at NIL value for computing the market value of Quoted investments.

*(-) indicates investment sold.

** Shares of the Company were unlisted and hence has been shown as part of unquoted investments subsequently.

*** Amalgamated with Motherson Sumi Systems Ltd. Refer Note 14 on Annexure V.

**** Investment written off.

Annexure IX - Restated Statement Showing Details of Sundry Debtors of Samvardhana Motherson Finance Limited

Particulars	As at December 31, 2011	As at March 31, 2011	2010	2009	2008	2007
	Currency: Indian Rupees in Millions					
Unsecured						
Debts outstanding for a period exceeding six months						
Considered good – joint venture company	3.6	1.9	-	-	-	-
	3.6	**1.9**	**-**	**-**	**-**	**-**
Other Debts						
Considered good						
- Subsidiaries	0.0	0.1	0.1	0.0	-	**-**
- Joint venture companies	0.3	2.8	3.5	1.0	-	**-**
- Associate Companies	-	0.0	-	0.5	-	**-**
- Entities related to directors or the promoters* of the Company	-	0.2	-	0.5	-	**-**
- Others	-	0.0	-	-	-	**-**
	0.3	**3.1**	**3.6**	**2.0**	**-**	**-**
Total	**3.9**	**5.0**	**3.6**	**2.0**	**-**	**-**

Note:

There are no amounts recoverable from directors or promoters* of the Company.
* List of promoters is as represented by management.

Annexure X - Restated Statement showing Details of Loans & Advances of Samvardhana Motherson Finance Limited

Particulars	As at					
	December 31, 2011	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
	Currency: Indian Rupees in Millions					
Unsecured and considered good						
Advances recoverable in cash or in kind or for value to be received			-	-	-	-
- From subsidiaries	3.0	1.1	-	-	-	-
- From Joint Venture Companies	21.1	-	-	-	-	-
- From entities related to directors and promoters* of the Company	18.3	-	-	-	-	-
- From others	9.7	5.8	0.7	-	0.0	0.1
Loans to Subsidiaries	413.3	426.9	104.5	-	5.0	-
Loans to Associate Companies	-	20.0	-	-	-	-
Loans to entities related to directors and promoters* of the Company	30.0	-	-	-	-	-
Loans to Joint Venture Companies	22.5	-	91.8	-	-	-
Interest Receivable						
- From subsidiaries	6.4	15.2	-	-	-	-
- From Associate companies		0.6	-	-	-	-
- From joint venture companies		1.0	2.9	-	-	-
- From others		0.0	-	-	-	-
Advance Income Tax (net)		-	-	-	0.2	0.1
Total	**524.3**	**470.6**	**199.9**	**-**	**5.2**	**0.2**

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Notes:

There are no amounts recoverable from directors or promoters* of the Company.
Refer Annexure 3- Statement of Cash Flows for sources of funds for loans and advances made.
* List of promoters is as represented by management.

Annexure XI - Restated Statement of Secured Loans of Samvardhana Motherson Finance Limited

Particulars	As at December 31, 2011	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
					Currency: Indian Rupees in Millions)	
Loans from Others						
Rupee loans*	1500.0	1,500.0	1,250.0	-	-	-
Total	**1500.0**	**1,500.0**	**1,250.0**	**-**	**-**	**-**

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***Refer Annexure XIA for details.**

Annexure XIA - Restated Statement of Principal Terms of Secured Loans Outstanding as at December 31st, 2011 of Samvardhana Motherson Finance Limited

Sr. No	Lender	Nature of Facility	Loan currency	Amount Outstanding at December 31, 2011 (Million Rs.)	Rate of Interest	Repayment Terms	Security / Principal Terms and Conditions
1	JM Financial Products Limited	Loan against shares	INR	500.0	13.00%	One time payment in September 2012	Pledge of 10,000,000 equity shares held in Motherson Sumi Systems Limited. Margin of 2.5 times to be maintained.
2	JM Financial Products Limited	Loan against shares	INR	100.0	13.00%	One time payment in September 2012	Pledge of 2,000,000 equity shares held in Motherson Sumi Systems Limited. Margin of 2.5 times to be maintained.
3	Citicorp Finance (India) Limited [1]	Loan against shares	INR	200.0	14.00%	One time payment in December 2012	Pledge of 3,200,000 equity shares held in Motherson Sumi Systems Limited. Margin of 2 times to be maintained.
4	Kotak Mahindra Investments Limited	Loan against shares	INR	200.0	13.35%	One time payment in February 2013 with put/call option in February 2012 and to be reviewed quarterly	Pledge of 3,800,000 equity shares held in Motherson Sumi Systems Limited. Margin of 2 times to be maintained.
5	L & T Finance Limited	Loan against shares	INR	250.0	12.25%	One time payment in March 2013 with put/call option in March 2012	Pledge of 4,000,000 equity shares held in Motherson Sumi Systems Limited. Margin of 2 times to be maintained.
6	Aditya Birla Finance Limited	Loan against shares	INR	250.0	12.75%	One time payment in March 2013 with put/call option in September 2012	Pledge of 4,000,000 equity shares held in Motherson Sumi Systems Limited. Margin of 2 times to be maintained.

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[1] Guaranteed by Promoter (Director)

Annexure XII - Restated statement of Unsecured Loans of Samvardhana Motherson Finance Limited

Particulars	As at					
	December 31, 2011	March 31, 2011	March 31, 2010	March 31, 2009*	March 31, 2008	March 31, 2007
	Currency: Indian Rupees in Millions					
Loan from Subsidiaries	-	-	24.0	30.0	-	-
Short Term Loans from:						
- Joint Venture Company	-	-	55.0	127.5	-	-
- Subsidiary of a Joint Venture	-	-	49.5	49.5	-	-
Total	**-**	**-**	**128.5**	**207.0**	**-**	**-**

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There are no loans outstanding from Directors or Promoters* of the Company.

* List of promoters is as represented by management.

Annexure XIII- Restated Statement of Current Liabilities and Provisions of Samvardhana Motherson Finance Limited

Particulars	As At					
	December 31, 2011	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
	Currency: Indian Rupees in Millions					
(I) Current Liabilities						
(a) Sundry Creditors	77.6	7.9	8.5	1.4	1.4	0.1
(b) Interest accrued but not due	9.4	2.1	9.9	3.5	-	-
(c) Other Liabilities	2.9	4.3	3.4	2.3	1.1	0.0
	89.9	**14.3**	**21.8**	**7.2**	**2.5**	**0.1**
(II) Provisions						
(a) Provision for Tax[1]	40.5	34.9	4.5	0.3	-	-
(b) Provision for Employee benefits[2]	11.7	1.1	0.6	-	-	-
	52.2	**36.0**	**5.1**	**0.3**	**-**	**-**
TOTAL	**142.1**	**50.3**	**26.9**	**7.5**	**2.5**	**0.1**

Notes:

[1] Net of Advance Tax (December 2011 Rs. 24.6 million, March 2011 - Rs. 13.8 million, 2010 - Rs. 6.7 million, 2009 - Rs. 0.8 million, 2008 - Rs. 0.9 million, 2007 - Rs. NIL)
[2] Refer Note 5 on Annexure V

Annexure XIV- Restated Statement of Share Capital of Samvardhana Motherson Finance Limited

	As At					
	December 31, 2011	**March 31, 2011**	**March 31, 2010**	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**
	Currency: Indian Rupees in Millions					
Authorised						
(December 2011: 900,000,000 Equity Shares of Rs.10/- each)	9000.0	6,000.0	6,000.0	6,000.0	3,165.0	165.0
(March 2011: 600,000,000 Equity Shares of Rs.10/- each)						
(2010, 2009: 600,000,000 Equity Shares of Rs.10/- each)						
(2008: 316,500,000 Equity Shares of Rs.10/- each)						
(2007: 16,500,000 Equity Shares of Rs. 10/- each)						
December 2011: Nil Preference Shares of Rs. 10/- each	-	3,000.0	3,000.0	3,000.0	-	-
(March 2011: 300,000,000 Preference Shares of Rs. 10/- each)						
(2010, 2009: 300,000,000 Preference Shares)						
(2008, 2007: NIL Preference Shares)						
	9,000.0	**9,000.0**	**9,000.0**	**9,000.0**	**3,165.0**	**165.0**
Issued, Subscribed and Paid up						
(December 2011: 473,613,855 Equity Shares of Rs.10/- each)	4,736.1	4,684.1	4,148.7	3,470.5	3,001.8	80.5
(March 2011: 468,413,855 Equity Shares of Rs.10/- each)						
(2010: 414,874,012 Equity Shares of Rs.10/- each)						
(2009: 347,051,694 Equity Shares of Rs.10/- each)						
(2008: 300,180,594 Equity Shares of Rs.10/- each)						
(2007: 8,050,000 Equity Shares of Rs. 10/- each)						
(Out of the above, 292,130,594 shares were allotted as fully paid up as purchase consideration for amalgamation of erstwhile Motherson Consultancy Private Limited with the Company with effect from February 1, 2007)						
(March 2011: 53,539,843 Equity shares have been allotted at premium of Rs. 13.33 per share to Sojitz Corporation by conversion of 124,882,670 Preference Shares into Equity Shares)						
(December 2011: 5,200,000 equity shares have been allotted at a premium of Rs. 42.1 per share to Samvardhana Employees Welfare Trust)						
Nil, 0% Fully Convertible Preference Share of Rs. 10/- each[#] (2010: 124,882,670, 0% Fully Convertible Preference Share of Rs. 10/- each, 2009 to 2007:NIL)	-	-	1,248.8	-	-	-
Total	**4,736.1**	**4,684.1**	**5,397.5**	**3,470.5**	**3,001.8**	**80.5**

[#]Convertible at the option of the holder at any time within a period of 365 days from the date of issue i.e. April 11, 2009. In case the option is not exercised within the aforesaid period the preference shares shall convert to equity shares on 365th day from the date of issue as per the terms and conditions of allotment.

Annexure XV- Restated Statement of Reserves and Surplus of Samvardhana Motherson Finance Limited

	As At											
Particulars	**December 31, 2011**		**March 31, 2011**		**March 31, 2010**		**March 31, 2009**		**March 31, 2008**		**March 31, 2007**	
	Currency: Indian Rupees in Millions											
Capital Reserve		2,402.4		2,402.4		2,402.4		2,402.4		2,402.4		2,402.4
Share Premium												
- As per Last Balance Sheet	3,044.0		2,330.6		623.4		-		-		-	
- Additions during the year	219.0	3,263.0	713.4	3,044.0	1,707.2	2,330.6	623.4	623.4	-	-	-	-
Profit and Loss Account		574.6		328.5		197.4		133.3		34.3		(2.2)
Total		**6,240.0**		**5,774.9**		**4,930.4**		**3,159.1**		**2,436.7**		**2,400.2**

Annexure XVI - Restated Statement of Other Income of Samvardhana Motherson Finance Limited

Particulars	Recurring/Non-recurring	For the year/period ended					
		December 31, 2011	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
							Currency: Indian Rupees in Millions
Exchange fluctuation (net)	Recurring	2.8	(0.5)	-	-	-	-
Exchange fluctuation (net)	Non-Recurring	-	26.7	-	-	-	-
Guarantee Commission	Non-Recurring	-	1.5	1.8	-	-	-
Total		**2.8**	**27.7**	**1.8**	**-**	**-**	**-**

Notes:

1. The classification of recurring and non-recurring is based on the current operations and nature of business activity of the Company.

Annexure XVII- Restated Statement of Personnel Expenses of Samvardhana Motherson Finance Limited

Particulars	For the year/period ended					
	December 31, 2011	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
	Currency: Indian Rupees in Millions					
Personnel Expenses						
Salary & Wages	9.0	6.3	4.7	0.4	-	-
Contribution to Provident & Other Funds	1.1	1.1	0.9	0.0	-	-
Bonus	0.7	0.3	0.2	0.0	-	-
Total	**10.8**	**7.7**	**5.8**	**0.4**	**-**	**-**

Annexure XVIII- Restated Statement of Administrative and Other Expenses of Samvardhana Motherson Finance Limited

Particulars	Period ended December 31, 2011	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008	Period ended March 31, 2007
Currency: Indian Rupees in Millions						
Rent	0.1	0.0	0.0	0.0	-	-
Repair & Maintenance-						
- Others *	0.8	0.6	0.7	0.0	-	-
Courier & Postage Expenses	0.1	0.1	0.1	0.1	-	-
Rates and Taxes *	1.1	0.1	0.2	4.1	17.3	0.7
Legal and Professional Charges *	43.5	24.1	20.5	4.4	2.3	0.3
Exhibitions Charges	-	-	7.8	-	-	-
Directors' Sitting Fees	0.2					
Business Promotion *	3.1	3.3	-	-	-	-
Travelling Expenses *	3.0	3.5	1.6	-	-	-
Telephone Expenses	0.1	0.1	0.0	0.0	-	-
Advertisement Expenses	-	-	0.1	0.4	-	-
Insurance Expenses	0.0	0.0	-	-	-	-
Printing and Stationery	0.0	0.0	0.0	0.0	0.1	0.1
Donation	1.5	1.3	0.1	1.1	-	-
Provision for diminution in long term investments (net)	10.5	43.8	53.9	-	-	-
Loss on sale of investments	-	-	0.2	-	-	-
Software Expenses	-	-	-	-	0.5	-
Miscellaneous Expenses *	0.2	0.5	0.0	0.0	0.0	0.5
Total	**64.2**	**77.4**	**85.2**	**10.1**	**20.2**	**1.6**
Adjustments (refer Annexure VI)						
Expenses of amalgamating companies		-	-	-	-	0.0
Provision for impairment of investments pushed back (Refer note 1 on Annexure 6)	-	(13.9)	(12.5)	5.1	20.9	0.5
Penalty	(1.0)	-	-	-	1.0	-
Total, as restated	**63.2**	**63.5**	**72.7**	**15.2**	**42.1**	**2.1**

* Net of recoveries during the year ended December 31, 2011. Refer Note 18 in Annexure V.

Annexure XIX- Restated Statement of Interest and Finance Charges of Samvardhana Motherson Finance Limited

Particulars	For the year/ period ended					
	December 31, 2011	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
					Currency: Indian Rupees in Millions	
Interest on Fixed Loans	144.1	160.8	79.5	5.9	-	-
Bank Charges	0.2	0.9	0.8	1.1	0.3	0.0
Processing Fee	3.6	4.3	-	-	-	-
Total	**147.9**	**166.0**	**80.3**	**7.0**	**0.3**	**0.0**

Annexure XX - Restated Statement of Accounting Ratios of Samvardhana Motherson Finance Limited

Sr. No.	Particulars	As at/ For the period ended December 31,	As at/ For the year ended March 31,				
		2011	2011	2010	2009	2008	2007
1	Restated Profit/ (Loss) after Tax (Rs. in Millions)	246.1	131.1	64.1	99.0	36.5	(1.8)
2	Less: Preference Dividend for the year including tax thereon (Rs. in Millions)	-	-	-	-	-	-
3	Net Profit/ (Loss) available to Equity Shareholders (Rs. in Millions)	246.1	131.1	64.1	99.0	36.5	(1.8)
4	Weighted average number of Equity Shares outstanding during the year	470,588,400	467,093,694	398,672,058	302,235,218	300,180,594	38,254,611
5 (a)	Number of Equity Shares outstanding at the end of the year	473,613,855	468,413,855	414,874,012	347,051,694	300,180,594	300,180,594
	Potentially Dilutive shares	-	-	53,539,843	1,026,791	-	-
5(b)	Number of Equity Shares for determining dilutive EPS	470,588,400	467,093,694	452,211,901	303,262,009	300,180,594	38,254,611
6	Net Worth for Equity Shareholders & Preference Shareholders (Rs. in Millions)	10,921.6	10,459.0	10,327.9	8,879.6	5,438.5	5,402.0
7	Preference Share Capital (Rs. in Millions)	-	-	1,248.8	-	-	-
8	Share Application Money	-	-	-	2,250.0	-	-
9	Preference Dividend for the year including tax thereon (Not provided in books during the relevant year) (Rs. in Millions)	-	-	-		-	-
10	Net Worth for Equity Shareholders (Rs. in Millions)	10,921.6	10,459.0	9,079.1	6,629.6	5,438.5	5,402.0
11	Accounting Ratios:						
	Basic Earnings/ (Loss) per Share (Rs.) (3)/(4)	0.52	0.28	0.16	0.33	0.12	(0.05)
	Diluted Earnings/ (Loss) per Share (Rs.) (3)/(5(b))	0.52	0.28	0.14	0.33	0.12	(0.05)
	Return on Net Worth for Equity Shareholders(3)/(10)-%	2.25%	1.25%	0.71%	1.49%	0.67%	-0.03%
	Net Asset Value Per Share (Rs.) (10)/(5a)	23.06	22.33	21.88	19.10	18.12	18.00

Note: Number of equity shares outstanding as at March 31, 2007 include 292,130,594 fully paid up shares issued to the shareholders of erstwhile Motherson Consultancy Private Limited pursuant to its amalgamation with the Company with effect from February 1, 2007. While these shares were issued during 2007-08, these have been considered as outstanding as at March 31, 2007 since they ranked pari-passu with other shares with effect from February 1, 2007.

Annexure XXI - Restated Statement of Capitalisation of Samvardhana Motherson Finance Limited

Currency: Indian Rupees in Millions	
PARTICULARS	**Pre-Issue as at December 31, 2011**
Borrowings:	
Short Term Debt	800.0
Long Term Debt	700.0
Total Debts	**1,500.0**
Shareholders' Funds	
Equity Share Capital	4,736.1
Preference Share Capital	-
Reserves and Surplus	6,240.0
Less: Miscellaneous Expenditure (to the extent not written off or adjusted)	54.5
Total Shareholders' Funds	**10,921.6**
Long Term Debt/ Shareholders' funds	**0.06**

Notes:

i) The above has been computed on the basis of Restated Financial Information.

ii) Long term includes loans where due date of repayment term of loan is beyond one year but there is a put and call option outstanding or within one year from the period end.

iii) The issue price and the number of shares to be issued in the forthcoming initial public offering are being finalized and as such the post issue capatalisation statement cannot be presented.

Annexure XXII- Restated Statement of Tax Shelter of Samvardhana Motherson Finance Limited

SR. NO.	PARTICULARS	FOR THE PERIOD ENDED DECEMBER 31,	FOR THE YEAR / PERIOD ENDED MARCH 31,				
		2011	2011	2010	2009	2008	2007
		Currency: Indian Rupees in Millions					
A	**Profit/ (Loss) before Taxation & Adjustments**	**261.5**	**154.7**	**61.6**	**105.3**	**58.4**	**(1.3)**
B	**Tax Rate applicable**	32.45%	33.22%	33.99%	33.99%	33.99%	33.66%
C	**Tax thereon at the above rate**	**84.8**	**51.4**	**20.9**	**35.8**	**19.8**	**(0.4)**
	Adjustments:						
D	**Permanent Differences:**						
	Dividends received	**(426.3)**	**(285.5)**	**(204.8)**	**(119.3)**	**(78.6)**	-
	Disallowances in respect of expenditure incurred to earn exempt income	**199.8**	**205.4**	**117.3**	**12.3**	**2.7**	-
	Difference on profit on Sale of Investments (Capital Gains)	**-**	**(13.2)**	**-**	**-**	-	-
	Net Disallowances/ (Allowances) under the I.T. Act	**2.5**	**-**	**0.1**	**-**		
	Provision for Diminution in the Value of Investments	**10.5**	**43.8**	**53.9**	**-**	-	-
	Others		-	-	**0.0**		
E	**Total Permanent Differences**	**(213.5)**	**(49.5)**	**(33.5)**	**(107.0)**	**(75.9)**	**-**
F	**Timing Differences:**						
	Difference in fixed assets under Income Tax Act, 1961 ("I.T. Act")	**(0.0)**	**(0.1)**	**0.0**	**(0.0)**	**-**	**-**
	Net Disallowances/ (Allowances) under the I.T. Act	**0.1**	**1.8**	**-**	**5.2**	**17.7**	**1.3**
	Provisions for doubtful receivables and inventories (Net of write backs & actual write offs)	**-**	**-**	**-**	**-**	**-**	**-**
	Brought forward Unabsorbed tax depreciation / business losses /loss on account of capital gains set-off in the period	**-**	**(3.5)**	**-**	**-**	**(0.2)**	**-**
G	**Total Timing Differences**	**0.1**	**(1.8)**	**0.0**	**5.2**	**17.5**	**1.3**
H	**Net Adjustments (E+G)**	**(213.4)**	**(51.3)**	**(33.5)**	**(101.8)**	**(58.4)**	**1.3**
I	Tax expense/ (savings) thereon **(H*B)**	**(69.2)**	**(17.0)**	**(11.4)**	**(34.6)**	**(19.8)**	**0.3**
J	**Current Tax Expense (C+I)**	**15.6**	**34.4**	**9.5**	**1.2**	**-**	**0.1**
K	Tax Liability as per Minimum Alternate Tax under Sec. 115JB of I.T. Act	**8.9**	**6.0**	-	-	-	-
L	**Net Current Tax Expense (Higher of J & K)**	**15.6**	**34.4**	**9.5**	**1.2**	**-**	**0.1**
M	Interest u/s 234 A /234 B	**0.8**	**3.1**	**0.5**	-	-	-
N	Tax Liability/(reversal) in respect of previous year	**-**	**0.0**	-	**(0.0)**	-	-
O	**Total Current Tax Expense (L+M+N)**	**16.4**	**37.5**	**10.0**	**1.2**	**-**	**0.1**

SR. NO.	PARTICULARS	FOR THE PERIOD ENDED DECEMBER 31,	FOR THE YEAR / PERIOD ENDED MARCH 31,				
		2011	2011	2010	2009	2008	2007
		Currency: Indian Rupees in Millions					
P	Impact on Profit before tax of Material Adjustments for Restatement in respective years	**-**	**-**	**-**	**-**	**-**	**-**
Q	Tax impact of Material adjustments for Restatement in corresponding years	-	-	-	-	-	-
R	Restatement adjustments on account of current taxes	**-**	**(0.0)**	**0.0**	**0.0**	-	**0.0**
					-		
S	**Taxable Profit before Taxation and after adjustments as Restated (A+H+P)**	**48.1**	**103.4**	**28.1**	**3.5**	**-**	**-**
T	**Total Current Tax Expense after tax impact of adjustments (O+Q+R)**	**16.4**	**37.5**	**10.0**	**1.2**	**-**	**0.1**

To

The Board of Directors
Samvardhana Motherson Finance Limited
2nd Floor, F-7, Block -1
Mohan Co-operative Industrial Estate
Mathura Road,
New Delhi 110 044

Auditors' Report on Restated Consolidated Financial Information in connection with the Initial Public Offer of Samvardhana Motherson Finance Limited

Dear Sirs,

1. This report is issued in accordance with the terms of our agreement dated September 14, 2011.

2. The accompanying restated consolidated financial information ("Restated Consolidated Financial Information") of Samvardhana Motherson Finance Limited (hereinafter referred to as the "Company") and its subsidiaries, joint ventures and associate companies (hereinafter together referred to as the "Group"), comprising Consolidated Financial Information in paragraph A below and Other Consolidated Financial Information in paragraph B below, has been prepared by the Management of the Company in accordance with the requirements of paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 (hereinafter referred to as the "Act") and item (IX) of Part A of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended to date (the "SEBI Regulations") issued by the Securities and Exchange Board of India (the "SEBI") in connection with the Proposed Initial Public Offer of Equity Shares of the Company (the "Issue") and has been approved by the Board of Directors and initialled by us for identification purposes. For the purposes of our examination, we have placed reliance on the audited consolidated financial statements of the Company for the nine months' interim period ended December 31, 2011 and for the year ended March 31, 2011 on which we have expressed unmodified audit opinions dated April 12, 2012 and September 27, 2011 respectively and on the audited consolidated financial statements of the Company for the years ended March 31, 2010, 2009, 2008 on which another firm of chartered accountants has expressed unmodified audit opinions dated September 27, 2011 respectively and for the year ended March 31, 2007 on which another firm of chartered accountants has expressed unmodified audit opinion dated September 26, 2011.

Directors' Responsibility for the Restated Consolidated Financial Information

3. The preparation of the Restated Consolidated Financial Information, which is to be included in the Red Herring Prospectus ("RHP") and the Prospectus, is the responsibility of the Management of the Company and has been approved by the Board of Directors by way of a circular resolution on April 19, 2012 as explained in paragraph 14 below. The Board of Directors' responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditors' Responsibilities

4. Our work has been carried out in accordance with Generally Accepted Auditing Standards, as per the (Revised) Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India and pursuant to the requirements of Schedule II to the Act. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the SEBI Regulations in connection with the Issue.

A. Consolidated Financial Information as per audited consolidated financial statements:

5. We have examined the following summarized financial statements of the Group contained in Consolidated Financial Information of the Group:

a) the "Restated Statement of Consolidated Assets and Liabilities" as at December 31, 2011, March 31, 2011, 2010, 2009, 2008 and 2007 (enclosed as Annexure I);
b) the "Restated Statement of Consolidated Profit and Loss Account" for the nine months' interim period ended December 31, 2011 and for the years ended March 31, 2011, 2010, 2009, 2008 and 2007 (enclosed as Annexure II); and
c) the "Restated Statement of Consolidated Cash Flows" for the nine months' interim period ended December 31, 2011 and for the years ended March 31, 2011, 2010, 2009, 2008 and 2007 (enclosed as Annexure III).

6. The Consolidated Financial Information has been derived from the audited consolidated financial statements of the Group read with paragraph 7 and 8 below, as at December 31, 2011 and March 31, 2011, 2010, 2009, 2008, 2007, for the nine months' interim period ended December 31 2011 and for the years ended March 31, 2011, 2010, 2009, 2008 and 2007.

7. The audit of the financial information of ten subsidiaries and twenty four joint ventures included in the Restated Consolidated Financial Information of the Group, was conducted by other firms of Chartered Accountants/other auditors and whose financial statements reflect the Group's share of total assets of Rs. 69,156.2 million and net assets of Rs. 7,889.5 million as at December 31, 2011, total revenue of Rs. 43,821.5 million, net loss of Rs. (559.9) million and net cash inflows of Rs. 2896.7 million for the nine months' interim period then ended and one associate company which constitutes net profit of Rs 18.4 million for the nine months' interim period then ended; and twelve subsidiaries and forty five joint ventures included in the Restated Consolidated Financial Information of the Group, was conducted by other firms of Chartered Accountants/other auditors and whose financial statements reflect the Group's share of total assets of Rs. 20,302.5 million and net assets of Rs.9,784.9 million as at March 31, 2011, total revenue of Rs.38,309.5 million , net profit of Rs. 199.7 million and net cash inflows of Rs. 211.9 million for the year then ended and two associate companies which constitutes net profit of Rs 9.9 million for the year then ended. Accordingly, our opinion on examination of the Consolidated Financial Information and Other Consolidated Financial Information of the Group, in so far as it relates to the amounts included in these Restated Consolidated Financial Information relating to these subsidiaries, joint ventures and associates, is based solely on the audit reports furnished to us by other firms of Chartered Accountants/ other auditors, after making necessary adjustments.

8. We draw your attention to the following:
   a) the Consolidated Financial Information should be read in conjunction with the basis of preparation and significant accounting policies given in Annexure IV;
   b) the Consolidated Financial Information does not contain all the disclosures required by the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.

9. We have not audited any financial statements of the Company as of any date or for any period subsequent to December 31, 2011. Accordingly, we do not express any opinion on the financial position, results or cash flows of the Company as of any date or for any period subsequent to December 31, 2011.

B. Other Consolidated Financial Information:

10. At the Company's request, we have also examined the following Other Consolidated Financial Information relating to the Group as at or for the nine months' interim period December 31, 2011 and as at or for the years ended March 31, 2011, March 31, 2010, March 31, 2009, March 31, 2008 and March 31, 2007, proposed to be included in the RHP and the Prospectus, prepared by the Management of the Company and as approved by the Board of Directors of the Company and annexed to this report:
    i) Notes to Restated Consolidated Financial Information as enclosed in Annexure V
    ii) Statement on Adjustments to Audited Consolidated Financial Statements as enclosed in Annexure VI
    iii) Restated Consolidated Statement of Fixed Assets as enclosed in Annexure VII
    iv) Restated Consolidated Statement of Investments as enclosed in Annexure VIII
    v) Restated Consolidated Statement of Sundry Debtors as enclosed in Annexure IX
    vi) Restated Consolidated Statement of Loans and Advances as enclosed in Annexure X
    vii) Restated Consolidated Statement of Secured Loans as enclosed in Annexure XI & XIA
    viii) Restated Consolidated Statement of Unsecured Loan as enclosed in Annexure XII & XIIA

ix) Restated Consolidated Statement of Current Liabilities and Provisions as enclosed in Annexure XIII
x) Restated Consolidated Statement of Share Capital as enclosed in Annexure XIV
xi) Restated Consolidated Statement of Reserves and Surplus as enclosed in Annexure XV
xii) Restated Consolidated Statement of Miscellaneous Expenditure as enclosed in Annexure XVI
xiii) Restated Consolidated Statement of Other Income as enclosed in Annexure XVII
xiv) Restated Consolidated Statement of Cost of materials and manufacturing and other expenses as enclosed in Annexure XVIII
xv) Restated Consolidated Statement of Interest and Finance Cost as enclosed in Annexure XIX
xvi) Restated Consolidated Statement of Accounting Ratios as enclosed in Annexure XX
xvii) Restated Consolidated Statement of Capitalisation as enclosed in Annexure XXI

Opinion

11. In our opinion

(i) the Restated Consolidated Financial Information of the Group, as attached to this report and as mentioned in paragraphs A and B above, read with respective basis of preparation and significant accounting policies have been prepared in accordance with Part II of Schedule II of the Act and the SEBI Regulations;
(ii) adjustments have been made with retrospective effect to reflect the changes in accounting policies of the Group (as disclosed in Annexure VI to this report) to reflect the same accounting treatment as per the accounting policies as at December 31, 2011 for all the reporting periods;
(iii) the material adjustments relating to previous years have been adjusted in the year to which they relate;
(iv) there are no other qualifications in the auditors' reports which require any adjustments; and
(v) there are no extra-ordinary items which need to be disclosed separately.

12. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us and/or other firms of chartered accountants on the consolidated financial statements.

13. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

Emphasis of Matter

14. Without qualifying our opinion, we draw your attention to Note 27 on Annexure V of Restated Consolidated Financial Information which has been inserted subsequent to the approval of Restated Consolidated Financial Information on April 11, 2012 by the Board of Directors of the Company upon which we had issued our report dated April 12, 2012. Note 27 on Annexure V of Restated Consolidated Financial Information clarifies that our scope of work and the terms of agreement, as agreed with the management of the Company are not at variance with relevant provisions of the Act, the Securities and Exchange Board of India Act, 1992 and the (Revised) Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India, respectively. The Restated Consolidated Financial Information, revised for inclusion of the above mentioned note, has been approved by the Board of Directors of the Company by way of a circular resolution on April 19, 2012. Accordingly, our report is now re-issued pursuant to this clarification only and no additional procedures are required to be carried out from the date of our earlier report.

Restriction of Use

15. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the RHP and the Prospectus prepared in connection with the proposed initial public offer of the Company, to be filed by the Company with the SEBI and the concerned Registrar of Companies.

For Price Waterhouse

Firm Registration Number: FRN 012754N
Chartered Accountants

Joy Kumar Jain
Partner
Membership Number: 087659

Place: NOIDA
Date: April 20, 2012

Annexure I - Restated Consolidated Statement of Assets and Liabilities of Samvardhana Motherson Finance Limited

Sr. No.	Particulars	As at December 31	As at March 31				
		2011	2011	2010	2009	2008	2007
		Currency: Indian Rupees in Millions					
A	**Fixed Assets**						
	Gross Block	77,479.1	33,809.1	30,259.4	26,456.7	6,626.6	6,100.3
	Less: Accumulated Depreciation & Amortization	36,595.4	15,287.0	13,227.0	11,455.0	946.1	744.9
	Net Block	**40,883.7**	**18,522.1**	**17,032.4**	**15,001.7**	**5,680.5**	**5,355.4**
	Less: Revaluation Reserve	27.6	27.6	-	-	-	-
	Net Block after adjustment of Revaluation Reserve	**40,856.1**	**18,494.5**	**17,032.4**	**15,001.7**	**5,680.5**	**5,355.4**
	Capital Work in Progress (including Capital Advances)	4,295.1	2,859.3	1,218.3	765.6	128.5	49.8
	Total	**45,151.2**	**21,353.8**	**18,250.7**	**15,767.3**	**5,809.0**	**5,405.2**
B	**Investments**	**1,090.9**	**475.5**	**990.8**	**548.0**	**128.6**	**86.9**
C	**Current Assets, Loans and Advances**						
	Inventories	16,865.8	6,561.2	4,528.2	3,897.3	708.8	501.0
	Sundry Debtors	17,144.8	6,813.9	5,568.5	4,147.3	873.2	647.6
	Cash and Bank Balances	5,961.8	2,758.6	2,547.2	2,553.4	882.6	364.6
	Loans and advances	5,542.7	2,758.8	2,463.4	2,984.6	458.9	360.5
	Total	**45,515.1**	**18,892.5**	**15,107.3**	**13,582.6**	**2,923.5**	**1,873.7**
D	**Deferred Tax Assets**	**680.1**	**279.2**	**163.9**	**17.8**	**14.1**	**3.9**
E	**Liabilities & Provisions**						
	Secured Loans	35,343.7	9,349.9	7,828.9	5,492.5	972.8	258.7
	Unsecured Loans	3,833.1	1,604.0	847.8	1,440.9	704.3	762.6
	Liabilities	30,563.1	12,008.9	9,508.2	9,104.9	1,023.0	664.6
	Provisions	2,498.2	1,367.7	1,694.3	2,398.7	239.6	212.2
	Deferred Tax Liability	1,014.4	159.8	122.0	135.1	21.5	22.4
	Total	**73,252.5**	**24,490.3**	**20,001.2**	**18,572.1**	**2,961.2**	**1,920.5**
F	**Minority Interest**	**4,852.4**	**1,741.5**	**1,576.8**	**1,009.4**	**176.0**	**80.1**
	Net Worth (A+B+C+D-E-F)	**14,332.4**	**14,769.2**	**12,934.7**	**10,334.2**	**5,738.0**	**5,369.1**
	Net Worth Represented By:						
G	Share Capital (including Preference Capital)	4,736.1	4,684.1	5,397.5	3,470.5	3,001.8	80.5
H	Share Application Money		-	-	2,250.0	-	2,921.3
I	Reserves and Surplus	9,678.4	10,112.7	7,544.0	4,705.0	2,826.2	2,493.8
	Less: Revaluation Reserve	27.6	27.6	-	-	-	-
	Reserves and Surplus (net of Revaluation Reserve)	**9,650.8**	**10,085.1**	**7,544.0**	**4,705.0**	**2,826.2**	**2,493.8**
J	Less : Miscellaneous Expenditure (to the extent not written off/adjusted)	54.5	-	6.8	91.3	90.0	126.5
	Net Worth	**14,332.4**	**14,769.2**	**12,934.7**	**10,334.2**	**5,738.0**	**5,369.1**

The above statement should be read with the Basis of Preparation and Significant Accounting Policies, appearing in Annexure IV; Notes to the Consolidated Restated Financial Information, appearing in Annexure V and Statement of Adjustments to Audited Consolidated Financial Statements, appearing in Annexure VI

Annexure II - Restated Consolidated Statement of Profit and Loss of Samvardhana Motherson Finance Limited

Particulars	For the nine months' interim period ended December 31	For the years/ period ended March 31				
	2011	2011	2010	2009	2008	2007
		Currency: Indian Rupees in Millions				
INCOME						
Net Sale of Finished Goods	58,615.5	55,121.4	48,414.0	8,279.8	4,916.4	656.9
- Manufactured	57,854.6	54,522.2	48,217.3	8,089.8	4,776.2	597.6
- Traded	760.9	599.2	196.7	190.0	140.2	59.3
Income from Services	959.2	1,223.7	730.6	149.5	121.7	17.8
Other Income	670.5	819.9	1,468.3	930.8	107.3	11.4
Total Income (A)	**60,245.2**	**57,165.0**	**50,612.9**	**9,360.1**	**5,145.4**	**686.1**
EXPENDITURE						
Material Consumed	37,758.2	35,002.7	30,436.5	5,049.3	2,736.6	373.4
Employee Cost	10,279.7	9,698.6	9,552.7	1,297.7	661.4	82.3
Other Expenditure	9,568.4	7,428.8	6,845.6	1,633.0	1,015.4	128.4
Total Expenditure (B)	**57,606.3**	**52,130.1**	**46,834.8**	**7,980.0**	**4,413.4**	**584.1**
Profit Before Interest, Depreciation, Taxation & Extra-ordinary items (A-B)	**2,638.9**	**5,034.9**	**3,778.1**	**1,380.1**	**732.0**	**102.0**
Depreciation & Amortization	1,683.7	1,704.2	1,903.4	368.9	240.8	28.5
Interest and Finance Charges (net)	1,290.6	621.7	623.4	210.7	57.0	7.8
Total (C)	**2,974.3**	**2,325.9**	**2,526.8**	**579.6**	**297.8**	**36.3**
Profit / (Loss) Before Taxation & Extra-Ordinary items (A-B-C)	**(335.4)**	**2,709.0**	**1,251.3**	**800.5**	**434.2**	**65.7**
Provision for Taxation						
Current Tax (including wealth tax)	905.2	1,063.1	646.2	121.2	139.9	20.5
Deferred Tax Expense / (Credit)	26.0	(65.4)	(143.7)	(10.2)	(11.2)	0.4
Fringe Benefit Tax	20.9	34.8	4.8	9.6	5.8	0.9
TOTAL (D)	**952.1**	**1,032.5**	**507.3**	**120.6**	**134.5**	**21.8**
Net Profit/ (Loss) after taxation before Extra-Ordinary Items & Adjustments (A-B-C-D)	**(1,287.5)**	**1,676.5**	**744.0**	**679.9**	**299.7**	**43.9**
Add: Share of profit of associates (net)	9.3	9.9	13.0	7.0	12.6	1.6
Net Profit/ (Loss) Before Restatement Adjustments	**(1,278.2)**	**1,686.4**	**757.0**	**686.9**	**312.3**	**45.5**
-- Concern share	(911.2)	1,400.0	699.6	566.1	321.1	46.0
-- Minority	(367.0)	286.4	57.4	120.8	(8.8)	(0.5)
Restatement Adjustments:						
a. Material adjustments relating to previous years	(132.0)	117.3	2.5	(1.9)	(2.0)	(2.3)
b. Deferred tax impact of the above adjustments	(0.1)	(0.3)	(0.2)	0.4	0.3	0.6
c. Current tax impact of the above adjustments	16.2	(14.8)	(0.1)	-	-	-
d. Impact of provision (current tax) of earlier years written back	(133.8)	133.8	-	-	-	-

Particulars	For the nine months' interim period ended December 31	For the years/ period ended March 31				
	2011	2011	2010	2009	2008	2007
		Currency: Indian Rupees in Millions				
e. Deferred tax not recognized earlier	-	-	1.9	0.3	0.2	-
Net Profit/ (Loss) before adjustments on account of changes in accounting policies	**(1,527.9)**	**1,922.4**	**761.1**	**685.7**	**310.8**	**43.8**
a. Adjustments on account of changes in Accounting Policies	-	(0.3)	0.3	(107.9)	(0.1)	(0.9)
b. Deferred Tax impact of the above adjustments	-	(0.0)	(0.0)	0.0	-	-
Net Profit/ (Loss), as Restated	**(1,527.9)**	**1,922.1**	**761.4**	**577.8**	**310.7**	**42.9**
-- Concern share	(1,113.6)	1,592.5	704.0	475.7	319.5	43.4
-- Minority	(414.3)	329.6	57.4	102.1	(8.8)	(0.5)
Addition on change in holding in consolidated companies	15.4	64.0	194.0	-	18.2	-
Adjustment on account of Amalgamation	-	(219.4)	-	-	-	-
Addition on change in holding in consolidated companies on Restatement	2.8	-	-	-	-	-
Add: Balance brought forward from previous year, as Restated	2,651.3	1,402.7	648.9	242.6	(18.7)	(2.5)
Surplus Available for Appropriations, as Restated	**1,555.9**	**2,839.8**	**1,546.9**	**718.3**	**319.0**	**40.9**
APPROPRIATIONS						
Transfer to Capital Redemption Reserve	-	-	8.0	-	-	-
Transfer to General Reserve	2.9	124.0	91.6	44.8	60.5	56.3
Proposed Dividend on Preference Shares of consolidated companies	2.2	5.4	3.9	1.9	2.0	1.9
Tax paid by consolidated companies	79.4	59.1	40.7	22.7	13.9	1.4
TOTAL	**84.5**	**188.5**	**144.2**	**69.4**	**76.4**	**59.6**
Balance Carried to Balance Sheet, as restated	**1,471.4**	**2,651.3**	**1,402.7**	**648.9**	**242.6**	**(18.7)**

The above statement should be read with the Basis of Preparation and Significant Accounting Policies, appearing in Annexure IV; Notes to the Restated Consolidated Financial Information, appearing in Annexure V and Statement of Adjustments to Audited Consolidated Financial Statements, appearing in Annexure VI.

Annexure III - Restated Consolidated Statement of Cash Flows of Samvardhana Motherson Finance Limited

(Indian Rupees in Millions)

	Particulars	For the period ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
		December 31, 2011	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
A	**Cash flows from operating activities:**						
	Restated Net profit before tax	(458.1)	2,835.9	1,267.1	697.7	444.7	64.1
	Adjustments for:						
	Share of Profit of Associates (net)	(9.3)	(9.9)	(13.1)	(7.1)	(13.1)	(1.5)
	Depreciation & Amortization (including impairment)	1,683.3	1,702.6	1,902.1	370.8	242.3	30.7
	Technical Fees included in Legal & Professional	-	-	-	-	5.6	-
	Interest Expense	1,334.0	680.1	680.6	239.9	78.0	12.7
	Interest Income	(43.4)	(58.4)	(57.2)	(29.2)	(21.0)	(4.9)
	Income from Investment - Dividends	(7.9)	(8.6)	(4.7)	(3.8)	(0.1)	-
	Interest on Finance Lease	22.0	33.2	2.6	-	16.6	1.6
	(Profit)/Loss on Fixed Assets sold	(81.4)	(84.4)	(24.3)	(2.4)	(53.1)	(0.1)
	Loss on sale of Investments	-	-	0.2	-		-
	Provision for diminution in value of Investments	-	13.8	6.4	16.7	5.1	-
	Miscellaneous Expenditure written off	-	-	-	-	39.7	6.1
	Debts / Advances Written off	28.7	73.8	16.4	8.0	-	0.6
	Provision for Bad & Doubtful Debts / Advances	8.4	8.1	1.6	4.7	4.0	0.4
	Provision for employee benefits	223.8	74.9	(12.8)	7.1	15.9	5.0
	Unrealised foreign exchange (gain) /loss	773.6	(96.4)	(11.4)	128.4	(5.2)	(5.6)
	Profit on Sale of Investment in subsidiaries and joint ventures	(38.8)	(41.3)	-	-	-	-
	Provision for warranty	62.1	16.0	22.7	4.5	(1.8)	(0.4)
	Other Provisions	(205.2)	(352.9)	(83.1)	43.3	(1.9)	0.2
	Contribution from business stakeholders' consequent to acquisition		-	-	(825.7)	-	-
	Operating profit before working capital changes	**3,291.8**	**4,786.5**	**3,693.1**	**652.9**	**755.7**	**108.9**
	Adjustments for changes in working capital :						
	- (Increase)/Decrease in Sundry Debtors	900.1	(1,444.5)	(1,309.3)	(43.5)	(216.2)	(90.4)
	- (Increase)/Decrease in Other Receivables	1,137.8	(336.2)	742.8	(235.4)	(65.1)	17.5
	- (Increase)/Decrease in Inventories	196.6	(2,151.1)	(522.5)	(45.1)	(202.0)	(37.1)
	- Increase/(Decrease) in Trade and Other Payables	(2,880.7)	2,605.0	(288.0)	(302.6)	339.2	39.5
	Cash generated from operations	**2,645.6**	**3,459.7**	**2,316.1**	**26.3**	**611.6**	**38.4**
	- Taxes (Paid) / Received (Net of TDS)	(735.4)	(890.0)	(736.9)	(181.9)	(125.6)	(18.2)
	Net cash from / (used in) operating activities	**1,910.2**	**2,569.7**	**1,579.2**	**(155.6)**	**486.0**	**20.2**
B	**Cash flows from Investing activities:**						
	Purchase of fixed assets including						

	Particulars	For the period ended December 31, 2011	For the year ended March 31, 2011	For the year ended March 31, 2010	For the year ended March 31, 2009	For the year ended March 31, 2008	For the year ended March 31, 2007
	capital work in progress						
	- Addition During the year	(5,647.8)	(4,952.2)	(3,102.4)	(1,208.1)	(727.7)	(49.9)
	Sale of Investment in Mutual Funds	25.0	507.2	-	-	-	-
	Purchase of Investment in Mutual Funds	(53.4)	(10.2)	(532.4)	-	-	-
	Proceeds from sale of fixed assets	131.9	331.9	330.5	32.8	80.6	0.9
	Proceeds from sale of Investment in subsidiaries and joint ventures	28.4	54.0	-	-	-	-
	Proceeds from sale of current Investments	12.8	4.5	0.2	0.5	-	-
	Purchase of minority interest in subsidiary	0.0	-	(7.0)	-	-	-
	Purchase of Investments	(184.9)	(4.3)	(2.9)	(24.9)	(33.6)	(12.8)
	Interest Received	38.3	45.6	34.6	28.1	19.7	1.6
	Dividend Received	0.8	8.6	4.6	3.8	0.1	-
	Consideration paid on acquisition of associates Ventures	(384.5)	-	-	-	-	-
	Consideration paid on acquisition of subsidiaries & Joint Ventures	(7,760.9)	(196.4)	(1,909.4)	(4,286.7)	(19.4)	-
	Net cash (used in) investing activities	**(13,794.3)**	**(4,211.3)**	**(5,184.2)**	**(5,454.5)**	**(680.3)**	**(60.2)**
C	**Cash flows from financing activities:**						
	Proceeds from Issue of Share Capital	270.9	-	1,482.8	3,342.1	-	46.0
	Share issue expenses incurred and paid	(7.8)	-				
	Proceeds from Minority Shareholders	184.5	19.6	285.0	308.6	77.5	33.4
	Proceeds from Joint Venturer	-	-	4.2		-	-
	Long term borrowings						
	Receipts	21,667.5	3,232.6	2,245.6	1,518.5	718.2	31.3
	Payments	(9,455.8)	(1,295.4)	(1,119.5)	(59.1)	(129.0)	(1.3)
	Short term borrowings						
	- Receipts	2,359.9	998.7	1,704.6	1,949.3	16.6	42.2
	- Payments	(2,196.7)	(1,436.4)	(513.5)	(218.7)	(46.1)	(27.7)
	Proceeds from Cash Credit (net)	1,865.3	1,100.5	160.7	(91.8)	135.8	-
	Interest on Finance Lease	(22.0)	(33.2)	(2.6)	(6.4)	(16.6)	(1.6)
	Interest Paid	(1,142.4)	(678.1)	(605.7)	(189.9)	(33.5)	(11.6)
	Dividend Paid	(10.0)	(3.5)	(6.0)	(3.7)	-	-
	Dividend Tax Paid	(79.4)	(40.7)	(34.9)	(20.3)	(13.3)	(1.4)
	Net cash from financing activities	**13,434.0**	**1,864.1**	**3,600.7**	**6,528.6**	**709.6**	**109.3**
	Net Increase/(Decrease) in Cash & Cash Equivalents	1,549.9	222.5	(4.3)	918.5	515.3	69.3
	Cash and cash equivalents - Opening	**2,758.6**	**2,547.2**	**2,553.4**	**882.6**	**364.6**	**6.0**
	- Cash and Cash Equivalents on acquisition – (Disposal) in subsidiary and JV	1,601.2	(67.8)	143.7	728.3	(1.8)	288.0
	Total Cash and Cash Equivalents as per Statement of cash flows	**5,909.7**	**2,701.9**	**2,692.8**	**2,529.4**	**878.1**	**363.3**
	Cash and cash equivalents comprise						
	Cash In Hand	18.7	12.6	9.3	28.6	2.0	2.0
	Cheques In Hand	151.9	29.2	96.5	3.9	47.6	2.3
	Deposit Account	554.0	239.5	257.8	603.9	236.4	217.7
	Balance with Banks	5,237.2	2,477.3	2,183.6	1,917.0	596.6	142.6
	Total Cash and cash equivalents *	**5,961.8**	**2,758.6**	**2,547.2**	**2,553.4**	**882.6**	**364.6**
	Cash and Cash Equivalents include :						
	Cash & bank balances as per Balance Sheet (restated)	5,961.8	2,758.6	2,547.2	2,553.4	882.6	364.6
	Net Unrealised Loss/(Gain) on Foreign Currency Cash & Equivalents	(52.1)	(56.7)	145.6	(24.0)	(4.5)	(1.3)
	Total	**5,909.7**	**2,701.9**	**2,692.8**	**2,529.4**	**878.1**	**363.3**

*Includes Cash not available for use with the Group in million	287.80	20.1	16.9	67.3	5.2	81.0

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard – 3 on "Cash Flow Statements" notified u/s 211(3C) of the Companies Act, 1956

The above statement should be read with the Basis of Preparation and Significant Accounting Policies, appearing in Annexure IV; Notes to the Restated Consolidated Financial Information, appearing in Annexure V and Statement of Adjustments to Consolidated Financial Statements, appearing in Annexure VI.

ANNEXURE IV – BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES OF SAMVARDHANA MOTHERSON FINANCE LIMITED

A BASIS OF PREPARATION

The restated consolidated statement of assets and liabilities of Samvardhana Motherson Finance Limited (the 'Company' or 'SMFL'), its subsidiaries, joint ventures/jointly controlled entities and associates (together referred as 'the Group'), as at December 31, 2011, March 31, 2011, 2010, 2009, 2008 and 2007 and the restated consolidated statement of profit and loss, and the restated consolidated statement of cash flows, for the nine months' interim period ended December 31, 2011 and years ended March 31, 2011, 2010, 2009, 2008 and 2007 and Other Financial Information have been derived by the Management from the consolidated audited financial statements of the Group for those respective periods/years.

The consolidated financial statements for the nine months ended December 31, 2011 and each of these five financial years above have been prepared by the Management pursuant to the proposed Initial Public Offer (referred to as the "Offer") and approved by the board of directors on April 11, 2012 for the nine months' interim period ended December 31, 2011 and September 14, 2011 for the years ended March 31, 2011, 2010, 2009, 2008 and 2007.

The Company was formed to act as a Group holding company and to hold/make investments in group companies in India and overseas. The results of operations reflected in the consolidated financial statements are carried out in the operating companies which are predominantly structured as joint ventures/jointly controlled entities and subsidiaries. Accordingly, the financial results of the Group reflects the economic interest of the Company in those results of operations and the assets and liabilities as further explained in the accounting policy on 'Principles of Consolidation' under the significant accounting policies below.

These restated consolidated financial statements and Other financial information have been prepared for the proposed Initial Public Offer (referred to as the "Offer"), in accordance with requirements of:

(a) Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 (the "Act"); and

(b) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time.

These restated consolidated financial information and other financial information have been prepared after incorporating:

a) The impact arising on account of changes in accounting policies adopted by the Group from the year ended March 31, 2007 till nine months' interim period ended December 31, 2011 applied with retrospective effect; and

b) Adjustments for the material amounts in the respective years to which they relate;

There were no audit qualifications or incorrect accounting policies requiring adjustments over the period April 1, 2007 to December 31, 2011.

These Statements and Other Financial Information were approved by the Board of Directors by way of circular resolution on April 11, 2011 and have subsequently been again approved by way of a circular resolution on April 19, 2012 on account of a revision indicated in note 27 of Annexure V.

B SIGNIFICANT ACCOUNTING POLICIES

1) Basis of Accounting

The Consolidated Financial Statements are prepared to comply in all material aspects with all the applicable accounting principles in India and applicable accounting standards notified under section 211(3C) of the Companies Act, 1956. The Group follows the mercantile system of accounting and

recognises income and expenditure on accrual basis.

2) Principles of Consolidation

a. The consolidated financial statements have been prepared in accordance with Accounting Standard 21 (AS 21) on 'Consolidated Financial Statements', Accounting Standard 23 (AS 23) on 'Accounting for Investments in Associates in Consolidated Financial Statements' and Accounting Standard 27 (AS 27) on 'Financial Reporting of Interests in Joint Ventures' notified under Section 211 (3C) of the Companies Act, 1956 and on the basis of the separate audited financial statements of Samvardhana Motherson Finance Limited (SMFL) and separate/consolidated audited financial statements of its subsidiaries, joint ventures and associates. Reference in the notes to "Group" shall mean to include SMFL and its subsidiaries, joint ventures and associates consolidated in the financial statements, unless otherwise stated.

b. The consolidated financial statements have been prepared on the following basis:

- The financial statements of the subsidiaries are 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 intragroup balances and intra-group transactions in accordance with Accounting Standard 21 (AS 21) on 'Consolidated Financial Statements'.

- In case of joint ventures, the Group's share in the assets, liabilities, income and expenses has been accounted for using the proportionate consolidation method in accordance with Accounting Standard 27 (AS 27) on 'Financial Reporting of Interests in Joint Ventures'.

- In case of associates, where the Group directly or indirectly holds 20% or more of equity, the investment in the associate is accounted for using equity method in accordance with Accounting Standard 23 (AS 23) on 'Accounting for Investments in Associates in Consolidated Financial Statements'.

- The difference between the cost of investment in the subsidiaries/ joint ventures/ associates, over the net assets at the time of acquisition of the investment in the respective subsidiaries/ joint ventures/ associates is recognised in the Consolidated Financial Statements as Goodwill or Capital Reserve on consolidation, as the case may be.

- 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.

- Minority interest in the subsidiaries consists of the amount of equity attributable to minorities at the date on investment in subsidiaries is made and minorities' share of movements in equity since the date the parent-subsidiary relationship comes into existence.

- In respect of investment acquired pursuant to scheme of amalgamation, cost includes fair value of such investments as on the date of amalgamation as per scheme of amalgamation as approved by the Honourable High Court of Delhi.

- The Consolidated Financial Statements have been prepared using financial statements drawn upto same reporting dates to the extent practicable and where financial statements used are drawn up to different reporting dates are consolidated for similar period after making adjustments, where considered relevant, for any significant transactions for events occurring between those dates and the date of this financial statement.

- 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/Joint Venture companies of the Group, inventories are valued on a weighted average cost basis as against the Group policy of valuing inventories on First in First out ('FIFO') cost basis since it is not considered practical to do so by the Management. The total value of inventories valued on weighted average basis amount

to Rs. 10,752.4 Millions (March 2011: 1,067.4 Millions), (2010: Rs. 990.9 Millions), (2009: Rs. 586.1 Millions), (2008: Rs. 13.1 Millions), (2007: Rs. 12.6 Millions). Such inventories comprise 63.75% (March 31, 2011 :16.27%), (2010: 21.88%), (2009: 15.04%), (2008: 1.85 %), (2007: 2.61 %) of the Group's total inventories.

- For the purpose of consolidation, the Company has translated assets and liabilities of entities outside India, whose operations are classified as non-integral, at the period end/year-end exchange rate and income and expenditure items at an average exchange rate that approximates to the exchange rate prevailing on the date of transaction. The resultant translation adjustment is reflected as a separate component of Reserves and Surplus as "Exchange Reserve on Consolidation". These are transferred to the Profit and Loss Account on disposal of the non-integral foreign operations.

The list of the entities viz. subsidiaries, joint ventures and associates and the relative percentage holding in those entities are included in Note 5 in Annexure V.

3) Fixed Assets

Fixed Assets have been stated at cost less accumulated depreciation. Cost is inclusive of freight, taxes & other directly attributable costs of bringing the asset to the working condition for intended use.

The fixed assets of the Component Division of erstwhile Motherson Auto Components Engineering Limited (MACE) and of Indian Nails Manufacturing Limited (also refer note 7(a) (iv) and 7(b) (ix) of Annexure V) have been stated at revalued amounts.

In accordance with Accounting Standard 10 "Accounting for Fixed Assets", the Group charges assets costing less than Rs. 5,000 to Rs. 350,000, which could otherwise have been included as Fixed Assets, to expenditure based on limits identified by each entity, because the amount is not material.

4) Depreciation

a) Depreciation on fixed assets, except as stated in (b) to (d) below, is provided from the month the asset is ready for commercial production on a pro-rata basis based on useful life or where applicable, at the SLM rates prescribed in schedule XIV to the Companies Act, 1956 whichever is higher. Accordingly the assets are depreciated, on the straight line method as per the rates below:

	Rates %
Building –Residential	1.63 - 5.00
Building – Factory	1.52 – 20.00
Plant & Machinery	4.75 - 25.00
Plant & Machinery (Racks Stands & Trolleys)	8.00 - 100.00
Specific Identified Plant & Machinery	10.34-25.00
Furniture, Fixtures & Office Equipment	7.69 – 33.33
Computers	9.86 - 33.33
Vehicles	9.86 – 33.33
Technical Know - How	20.00-50.00

b) 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. Leasehold Land is amortised over the balance period of lease.

c) Goodwill recognised on consolidation is carried at cost and is reviewed for impairment at the end of each accounting year.

d) Other intangible assets are amortised over a period of 2 to 5 years based on their useful lives.

5) Investments

Investments, other than in subsidiaries, joint ventures and associates, which are accounted for separately as per Note 2 above, are classified into long term and current investments.

Long term investments are carried at cost. In respect of investments acquired pursuant to the scheme amalgamation, cost includes fair value of such investments i.e., February 1, 2007, as per the Scheme of Amalgamation as approved by the High Court of Delhi in December 2007 which is also in accordance with Accounting Standard 13 on -"Accounting for Investments." Also refer note 2 on Annexure V.
A provision for diminution is made to recognise a decline, other than temporary, in the value of these investments.

Current investments are carried at lower of cost and fair value. Fair value in the case of quoted investments refers to the market value of the investments arrived at on the basis of last traded prices as at the balance sheet date.

Investment properties are stated at amortized cost.

Investment properties are derecognized when either they have been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the income statement in the period of derecognition. Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use or cost, whichever is lower. If owner occupied property becomes an investment property, the Group accounts for such property at amortised cost.

6) Inventory

Stores and spares, loose tools are valued at cost or net realizable value, whichever is lower.

Raw materials, components, finished goods and work in progress are valued at cost or net realisable value, whichever is lower. The basis of determining cost for various categories of inventories is as follows:

i)	Stores and Spares, Raw Materials and Components	First in First Out (FIFO) method other than in respect of certain joint venture companies where costs are determined on a weighted average basis.
ii)	Work in Progress and Finished Goods	Material cost plus appropriate share of labour and production overheads.
iii)	Tools	Cost less amortisation based on useful life of items ascertained on the basis of technical estimates by the management

7) Employee Benefits

Defined Contribution Plans

Contributions to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered services entitling them to contributions.

Defined Benefit

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 valuation. 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. Where plans are funded, 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 asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation, less any past service cost not yet recognised and the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price in respect of overseas entities. In respect of entities in India, the plan assets are lying in the gratuity fund administered by the respective insurance companies and the value of plan assets is based on the fund value with the insurance companies.

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

Other Long term benefits

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

8) Revenue Recognition

Sales are recognized upon the transfer of significant risks and rewards of ownership to the customers.

Revenue from services is recognised as per the terms of the agreement, as the services are rendered and no significant uncertainty exists regarding the amount of consideration.

Dividend income is recognised when the Company's right to receive payment is established.

Interest Income is recognised on a proportion of time basis taking into account the principal outstanding and the rate applicable.

9) Government Grants

Government grants are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met. Government grants in respect of capital expenditure are credited to the acquisition costs of the respective fixed asset and thus are released as income over the expected useful lives of the relevant assets. Grants of revenue nature are credited to income so as to match them with the expenditure to which they relate.

Grants from other parties are accounted for following the provisions for government grants, if the grants are comparable to government grants by their nature.

10) Foreign Currency Transactions and Derivatives

Transactions involving foreign currencies are recorded at the exchange rate prevailing on the transaction date. Foreign currency monetary items are translated at the exchange rate prevailing at the balance sheet date and the gain/loss arising on such translation is credited / charged to profit and loss account. In case of forward foreign exchange contracts where an underlying asset or liability exists at the balance sheet date, premium or discount arising at the inception of a forward exchange contract is

amortised as expense or income over the life of contract. Derivative contracts (except for forward foreign exchange contracts where underlying assets or liabilities exist) are fair valued at each reporting date and losses, if any, are recognised in the Profit & Loss Account.

11) Borrowing Costs

The borrowing costs on funds, other than those directly attributable to the acquisition of a qualifying asset i.e. assets that necessarily takes a substantial period of time to get ready for its intended use, are charged to expense in the period in which they are incurred.

The borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of those asset.

12) Leases

Lease rental in respect of assets under operating lease arrangements are charged to expense on a straight line basis over the term of lease.

Lease rental in respect of assets under finance lease transactions are considered as financing arrangements in accordance with Accounting Standard 19 on – "Accounting for Leases" and the leased asset is capitalised at an amount equal to the present value of future lease payments and a corresponding amount is recognised as a liability. The lease payments made are apportioned between finance charge and reduction of outstanding liability in relation to the leased asset.

In respect of assets leased out under operating lease rental income is recognized on accrual basis over the lease term.

13) Taxation

Current Tax

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

Deferred Taxes

In accordance with Accounting Standard 22 – "Accounting for Taxes on Income", deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in the future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets.

Deferred tax assets and liabilities are offset only if the Group has a legally enforceable right to set off the recognized amounts and when it intends to settle the assets and liabilities on a net basis.

Fringe Benefits Tax

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

14) Earnings Per Share (EPS)

The earnings considered in ascertaining the Group's EPS comprises the net profit after tax (and includes the post-tax effect of any extra - ordinary items) attributable to equity shareholders. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effect of potential dilutive equity shares.

15) **Miscellaneous Expenditure**

Expenses incurred in relation to issue of shares are treated as Miscellaneous Expenditure and are taken to Balance Sheet to the extent not written off or adjusted. Such expenses are charged to securities premium account on successful issue of shares and otherwise charged to Profit & loss Account.

Issue expenses of foreign currency convertible bonds are amortised over the period of such bonds and charged to the profit & loss account as borrowing cost. As and when such bonds are converted into equity, the related unamortized expenses are charged to securities premium account.

16) Impairment of Assets

Impairment loss, if any, is provided to the extent the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset'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.

17) Provisions and Contingent Liabilities

A provision is recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

18) Use of Estimates

In the preparation of the consolidated financial statements, the management of the Company makes estimates and assumptions in conformity with the applicable accounting principles in India that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the consolidated financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, future obligations under employee retirement benefit plans, warranties, income taxes, the useful life of fixed assets and intangible assets and estimates for recognising impairment losses and other provisions.

These estimates could change from period to period and also the actual results could vary from the estimates. Appropriate changes are made to the estimates as the management becomes aware of changes in circumstances surrounding these estimates. The changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

Annexure V – Notes to the Restated Consolidated Financial Information of Samvardhana Motherson Finance Limited

1. Changes in Accounting Policies: -

a) The revised Accounting Standard 15 (Revised) on "Employee Benefits" has become applicable to the Group with effect from April 1, 2007. The impact of transitional provision on adoption of said Accounting Standard 15 (Revised) on 'Employee Benefits' on the consolidated financial statements has been applied with retrospective effect in these restated consolidated financial information.
b) Certain entities in the Group changed their accounting policy in the year 2009-10, in respect of fixed assets costing less than Rs. 5,000/- from capitalization of such fixed assets to charging off such assets to expense in the year of purchase in accordance with the Company policy. The impact arising on account of change in policy has been adjusted to the relevant years.
c) During the period ended December 31, 2011, legal and other consultancy costs incurred on acquisition of businesses were charged to the profit and loss account. Similar costs incurred in previous years but treated as costs of acquisition have now been restated in respective years and taken to profit & loss account with corresponding impact on capital reserve in these restated consolidated financial information.

2. Amalgamation of Motherson Consultancy Private Limited ("MCPL") with the Company with effect from February 1, 2007:

Based on a scheme of Amalgamation approved by the Honourable High Court of Delhi on December 10, 2007, Motherson Consultancy Private Limited ("MCPL" or the "transferor company") has amalgamated with the Company from the Appointed Date of February 1, 2007. Accordingly the whole of the undertaking of MCPL was transferred to and vested in the Company as a going concern with effect from February 1, 2007 and MCPL was dissolved without winding up without any further act or deed on the Effective Date of the scheme being February 4, 2008.

With effect from the appointed date, all the debts, liabilities, duties and obligations of the transferor company as on the close of business on the date preceding the appointed date, whether or not provided in the books of the transferor company and all liabilities which arose or accrued on or after the appointed date deemed to be the debts, liabilities duties and obligations of the Company.

MCPL was in the business of providing consultancy services in various fields and to hold investments in Motherson group entities.

As per the scheme, the said transaction was recorded in such a manner that with effect from the appointed date, all assets and liabilities were vested in the Company. The amalgamation has been accounted for under the "amalgamation in the nature of purchase" method as prescribed by Accounting Standard (AS) 14 notified under Companies (Accounting Standards) Rules, 2006 as issued under section 211(3C) of the Companies Act 1956 and the specific provisions of the scheme. Accordingly, all the assets and liabilities of the transferor company as on February 1, 2007 have been recorded by the Company at their fair values which have been considered as cost of acquisition.

The purchase consideration was allocated to the assets taken over and the liabilities assumed in accordance with the scheme of arrangement as follows:

Particulars	Amount
Assets:	**Currency: Indian Rupees in Millions**
Investments (at fair value)	5,292.1
Cash and bank balances	40.6
Other current assets	4.2
(A)	**5,336.9**
Liabilities	
Current Liabilities	0.7
(B)	**0.7**
Net Assets taken over (A-B)	**5,336.2**
Less: cancellation of inter- company investments	12.5
Total	5,323.7

Less: 292,130,594 shares allotted to the members of MCPL at a par value of Rs. 10 per share (Shown as Share application money)	2,921.3
Taken to Capital Reserve	**2,402.4**

The above transaction has been accounted for during 2006-07. Following companies/ investments were purchased by SMFL from the erstwhile MCPL as part of merger scheme with effect from February 1, 2007.

S. No.	Name	Category	% Shareholding Acquired
1	Saks Ancillaries Ltd	Subsidiary	58.08%
2	Samvardhana Motherson Virtual Analysis Ltd. (formerly Motherson Time Tooth Technologies Ltd.)	Subsidiary	100.00%
3	Motherson Sumi Systems Ltd	Joint Venture	21.62%
4	Sumi Motherson Innovative Engineering Ltd	Joint Venture	16.08%
5	Motherson Techno Tools Ltd	Joint Venture	14.34%
6	Webasto Motherson Sunroofs Ltd.	Joint Venture	48.75%
7	Motoman Motherson Robotics Ltd	Joint Venture	33.00%
8	Anest Iwata Motherson Ltd	Joint Venture	49.00%
9	Motherson Air Travel Agencies Ltd	Associate	44.33%
10	ASI Motherson Communication Solutions Ltd	Associate	25.00%
11	MothersonSumi INfotech & Designs Limited	Investment	14.2%
12	Systematic Conscom Limited	Investment	0.5%
13	Munjal Showa Limited	Investment	0.0%

Goodwill on Consolidation arising during 2006-07 amounted to Rs. 4,126.6 million on account of the following companies acquired in amalgamation-

Currency: Indian Rupees in Millions

Company Name	Amount
Motherson Sumi Systems Ltd	3,975.1
Saks Ancillaries Ltd	1.6
Sumi Motherson Innovative Engineering Ltd	52.5
Anest Iwata Motherson Ltd	26.2
Motherson Techno Tools Ltd	35.8
Webasto Motherson Sunroofs Ltd.	25.1
Motoman Motherson Robotics Ltd	2.1
Motherson Air Travel Agencies Ltd	8.2

The subsidiaries and joint ventures, acquired consequent upon merger of MCPL w.e.f. 1-2-2007, have been consolidated based on audited financial statements of such subsidiaries and joint ventures, however, in respect of Company's joint venture Motherson Sumi Systems Limited ('MSSL'), the profit and loss account has been consolidated on pro rata basis for two months from the consolidated audited financial statements of MSSL for the year 2006-07 as audited profit and loss account of MSSL for two months ended March 31, 2007 are not available.

3. Contingent Liabilities:

(Currency: Indian Rupees in Millions)

	Description	As at					
		December 31, 2011	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
a)	In respect of Excise	12.6	13.4	12.8	12.0	4.6	5.9
b)	In respect of Customs	0.1	11.7	-	0.3	0.1	-
c)	In respect of Entry Tax	0.2	0.2	0.2	0.2	0.5	0.1
d)	In respect of Sales Tax	19.7	24.7	32.8	22.4	14.4	7.4
e)	In respect of Service tax	10.0	5.7	5.7	5.0	2.6	2.2
f)	In respect of Stamp Duty	1.7	1.7	1.8	1.6	0.4	0.4
g)	In respect of Income Tax	22.3	367.7	12.0	1.3	7.8	11.3
h)	In respect of Labour Cases	6.4	3.9	3.9	2.8	1.5	1.3
i)	In respect of Other taxes/ Duties	56.4	0.6	0.9	4.1	4.9	0.4
j)	Bank Guarantees/Corporate Guarantees	117.0	151.8	106.0	29.5	23.0	58.9

Further, in respect of certain subsidiary companies, the Company has furnished letters of support (to provide adequate financial support to enable those companies to cover any deficiency in equity and liquidity requirements for a period of next year) to enable the said companies to continue operations.

The Company has also committed to provide debt funds to certain subsidiaries of Samvardhana Motherson Polymers Limited (SMPL), a joint venture company, in proportion of its shareholding of 49%, in case of shortfall by respective companies in meeting their debt obligation. The Company has further committed to bear the losses incurred by SMPL in proportion to its shareholding of 49% and finance costs in respect of loans guaranteed by the Company. Refer Note 10 below.

4. Outstanding Capital Commitments:

(Currency: Indian Rupees in Millions)

	As at December 31, 2011	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Unexpired amount of the contracts on capital accounts and not provided for (net of advances)	1840.7	1,458.3	526.1	248.7	129.0	45.4

5. Consolidation:

(i) Details of subsidiaries which have been considered in audited consolidated financial statements are as follows:

Name of the Company	Country of Incorporation	% voting power held as at December 31, 2011	% voting power held as at March 31, 2011	% voting power held as at March 31, 2010	% voting power held as at March 31, 2009	% voting power held as at March 31, 2008	% voting power held as at March 31, 2007
MothersonSumi Infotech & Designs Ltd.	India	53.62%	53.62%	53.61%	-	-	-
Saks Ancillaries Ltd	India	58.12%	58.12%	58.12%	58.08%	58.08%	58.08%
Samvardhana Motherson Virtual Analysis Ltd. (formerly Motherson Time Tooth Technologies Ltd)	India	100.00%	100.00%	100.00%	50.69%	67.05%	100.00%
Motherson Machinery and Automations Ltd	India	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Nachi Motherson Tool Technology Ltd	India	74.00%	74.00%	74.00%	74.00%	74.00%	74.00%
Tiger Connect Travel Systems & Solutions Ltd (formerly Motherson Automation Technology Ltd.)	India	100.00%	100.00%	51.00%	51.00%	100.00%	100.00%
Motherson Molds and Diecasting Ltd	India	51.00%	51.00%	51.00%	51.00%	100.00%	100.00%
Motherson Timetooth Technology Inc. (% held by Samvardhana Motherson Finance Services Inc.)[1]	USA	-	100.00%	100.00%	100.00%	51.00%	-
Motherson Zanotti Refrigeration System Ltd.(Jointly with Samvardhana Motherson Finance Services Cyprus Ltd)	India	50.00 % + 1Share	50.00 %+1Share	50.00 %+1Share	50.00%+1Share	50.00%+1Share	-
Samvardhana Motherson Finance Services Cyprus Ltd.[3]	Cyprus	100.00%	100.00%	100.00%	100.00%	100.00%	-
Samvardhana Motherson Finance Services Inc (% held by Samvardhana Motherson Finance Services Cyprus Ltd)	USA	100.00%	100.00%	100.00%	100.00%	100.00%	-
SCCL Infra Projects Limited (Formerly known as Avonhill Ltd). (held by Samvardhana Motherson Finance Services Cyprus Ltd) [2, 3]	Cyprus	-	100.00%	100.00%	100.00%	-	-
Samvardhana Motherson Holding (M) Private Ltd.[3] (SMHM)	Mauritius	100.00%	100.00%	100.00	100.00%	-	-
Motherson Advanced Tooling Solutions Ltd.	India	100.00%	100.00%	100.00%	100.00%	-	-
Motherson Auto Solutions Ltd.	India	66.00%	66.00%	66.00%	-	-	-
MSID U.S. Inc. (% held by Motherson Sumi InfoTech & Designs Ltd).	USA	100.00%	100.00%	100.00%	-	-	-
Motherson Climate System Ltd.	India	100.00%	100.00%	100.00%	-	-	-
Motherson Bergstrom HVAC Solution Private Limited	India	51.00%	51.00%	-	-	-	-
Motherson Auto Engineering Service Ltd. (formerly Miyazu Motherson Engineering Design Ltd.) [4]	India	100.00%	100.00%	-	-	-	-
Motherson Sintermetal Technology Ltd. (Incorporated on December 22, 2011)	India	98.80%	-	-	-	-	-

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Note: Reporting dates used for consolidation are 31st December 2011 and 31st March of the respective years unless otherwise stated.

[1] The Company had suspended its operations in 2008-09 and has been liquidated during the year ended March 31, 2011 and reporting date for consolidation purposes used was December 31, 2010.

[2]Upto 31st January 2011. Also, refer Note 7 (b)(v) below.
[3] The financial statements considered are for fifteen month period ended March 31, 2010 due to change in accounting period; however this change does not have any significant impact on these Restated Consolidated Financial Information. Prior to March 31, 2010, the financial statements used were for the calendar year ended December 31 respectively.
[4] Accounted for as a subsidiary w.e.f. year ended March 31, 2011.

(ii) Details of Associate Companies which have been considered in the audited consolidated financial statements are as follows:

Name of the Company	Country of Incorporation	% voting power held as at December 31, 2011	% voting power held as at March 31, 2011	% voting power held as at March 31, 2010	% voting power held as at March 31, 2009	% voting power held as at March 31, 2008	% voting power held as at March 31, 2007
Motherson Air Travel Agencies Limited	India	43.33%	43.33%	43.33%	43.33%	43.33%	43.33%
ASI Motherson Communication Solutions Limited*	India	-	25.00%	25.00%	25.00%	25.00%	25.00%

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Note: Reporting dates used for consolidation are 31st December 2011 and 31st March of the respective years.

* w.e.f. March 25, 2011, the Company has been dissolved under the Easy Exit Scheme 2011 of the Ministry of Corporate Affairs, Government of India.

(iii) Details of Joint Venture Companies which have been considered in audited consolidated financial statements are as follows:

Name of the Company	Country of Incorporation	% voting power held as at December 31, 2011	% voting power held as at March 31, 2011	% voting power held as at March 31, 2010	% voting power held as at March 31, 2009	% voting power held as at March 31, 2008	% voting power held as at March 31, 2007
Samvardhana Motherson Global Holding Limited (SMGHL) (% held By Samvardhana Motherson Holding (M) Private Ltd.)[1]	Cyprus	49.00%[1]	49.00%[1]	49.00%[1]	49.00%[1]	-	-
Motherson Sumi Systems Ltd (MSSL)	India	36.12%**	36.34%*	37.60%	34.39%	21.43%*	21.62%
Samvardhana Motherson Reflectec Group Holdings Ltd. (SMR) (% held by Samvardhana Motherson Global Holding Limited (SMGHL))	Jersey	93.63%	93.60%	95.00%	95.00%	-	-
Anest Iwata Motherson Coating Equipment Ltd.	India	49.00%	49.00%	49.00%	49.00%	49.00%	49.00%
Sumi Motherson Innovative Engineering Ltd (refer Note 7 (a) (iv) below)	India	-	16.08%	16.08%	16.08%	16.08%	16.08%
Anest Iwata Motherson Ltd.	India	49.00%	49.00%	49.00%	49.00%	49.00%	49.00%
Motherson Techno Tools Ltd.	India	14.34%	14.34%	14.34%	14.34%	14.34%	14.34%
Webasto Motherson Sunroofs Ltd.[4]	India	49.00%	49.00%	48.88%	48.88%	48.75%	48.75%
Motoman Motherson Robotics Ltd.[2]	India	-	34.00%	34.00%	34.00%	34.00%	33.00%
AES (India) Engineering Ltd.	India	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%
Motherson Auto Engineering Service Ltd. (formerly Miyazu Motherson Engineering Design Ltd.) [3]	India	-	-	35.00%	35.00%	34.00%	34.00%
Spheros Motherson Thermal System Ltd.	India	49.00%	49.00%	49.00%	49.00%	49.00%	49.00%
Matsui Technologies India Ltd.	India	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Fritzmeier Motherson Cabin Engineering Ltd.(Jointly with Samvardhana Motherson Finance Services Cyprus Ltd	India	50.00%	50.00%	50.00%	50.00%	50.00%	-
Nissin Advanced Coating Indo Co. Limited.(Jointly with Samvardhana Motherson Finance Services Cyprus Ltd	India	49.00%	49.00%	49.00%	49.00%	100.00%**	-
Magneti Marelli Motherson Auto System Ltd (% held by Magneti Marelli Motherson Holding B.V.	India	100.00%	100.00%	100.00%	100.00%	-	-
Magneti Marelli Motherson Holding B.V. (% held by Samvardhana Motherson Finance Services Cyprus Ltd)[5]	The Netherlands	50.00%	50.00%	50.00%	50.00%	50.00%	-
CTM India Ltd.	India	41.00%	41.00%	41.00%	-	-	-
Nachi Motherson Precision Limited	India	49.00%	49.00%	-	-	-	-
Air Factory Energy Ltd.(held by Anest Iwata Motherson Ltd)	India	100.00%	100.00%	100.00%	100.00%	100.00%	-
Motherson Techno Tools Mideast FZE. (% held by Motherson Techno tools Limited)	UAE	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Samvardhana Motherson Polymers Limited [1]	India	49.00%	-	-	-	-	-

Samvardhana Motherson B.V. (NL) (% held by Samvadhana Motherson Polymers Limited)[6]	The Netherland	100.00%	-	-	-	-	-

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Note: Reporting dates used for consolidation are 31st December 2011 and 31st March of the respective years unless otherwise stated.

[1]49% directly held by Company and 51% held by MSSL.
[2] Up to January 31, 2011.
[3]Consequent to the acquisition of balance shares in the Company in 2010-11, the same has been accounted as a subsidiary from the year ended March 31, 2011.
[4] Up to April 4, 2011. Also refer note 7 (a) (iii) below.
[5]Reporting date used is December 31, 2010.
[6] Refer Note 7(a)(i) below

*Shareholding diluted on account of conversion of Zero Coupon Foreign Currency Convertible Bonds into equity.
** Diluted on account of merger as stated in note 7 (a)(iv) below.
***Although Nissin Advanced Coating Indo Co. Ltd. is a joint venture company, in which the Company holds 49% of the equity, but at March 31, 2008, the Company held 100% capital, since remittance from the Joint venture was received subsequent to the balance sheet date.

(iv) Details of Motherson Sumi Systems Limited (MSSL) subsidiaries/Joint Ventures / Associates which have been considered in audited consolidated financial statements are as follows:

Name of the Company	Country of Incorporation	% voting power held as at December 31, 2011	% voting power held as at March 31, 2011	% voting power held as at March 31, 2010	% voting power held as at March 31, 2009	% voting power held as at March 31, 2008	% voting power held as at March 31, 2007
MSSL Mauritius Holdings Limited [@]	Mauritius	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
MSSL Mideast (FZE)	UAE	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Motherson Electrical Wires Lanka Pvt. Limited	Sri Lanka	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
MSSL Handels GmbH	Austria	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
MSSL (S) Pte Ltd	Singapore	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Motherson Tradings Limited (formerly Motherson PUDENZ WICKMANN Limited)	India	-	-	100.00%	56.13%	56.13%	56.13%
MSSL Global Wiring Limited***	India	-	100.00%	100.00%	100.00%	-	-
MSSL GmbH (held by MSSL Mideast (FZE)[@)]	Germany	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
MSSL (GB) Limited (% held by MSSL Mideast (FZE))[@]	UK	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Motherson Sumi Wiring System Limited (FZE) (% held by MSSL Mideast (FZE))[1]	UAE	100.00%	100.00%	51.00%	51.00%	51.00%	51.00%
MSSL Tooling Limited (FZE) (% held by MSSL Mideast (FZE))[1]	UAE	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
MSSL Ireland Private Limited (% held by MSSL Mauritius Holdings Limited)[1,@]	Ireland	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Global Environment Management (FZC) (% held by MSSL Mauritius Holdings Limited)[@]	UAE	78.82%	78.82%	78.82%	78.82%	50.01%	50.01%
MSSL Australia Pty Limited (% held by MSSL (S) Pte. Ltd)**	Australia	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%
MSSL Polymers GmbH (formerly known as G&S Kunststofftechnik GmbH) (held by MSSL GmbH)[@]	Germany	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Samvardhana Motherson Invest Deutschland GmbH (formerly Motherson Sumi Reiner	Germany	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Name of the Company	Country of Incorporation	% voting power held as at December 31, 2011	% voting power held as at March 31, 2011	% voting power held as at March 31, 2010	% voting power held as at March 31, 2009	% voting power held as at March 31, 2008	% voting power held as at March 31, 2007
GmbH) (held by MSSL GmbH)[@]							
MSSL Advanced Polymers s.r.o (% held by MSSL GmbH)[@]	Czech Republic	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Motherson Orca Precision Technology GmbH (% held by MSSL GmbH)[@]	Germany	95.10%	51.00%	51.00%	51.00%	-	-
MSSL s.r.l. Unipersonale (% held by MSSL GmbH)[@]	Italy	100.00%	100.00%	100.00%	100.00%	-	-
Global Environment Management Australia Pty Limited (% held by Global Environment Management (FZC))[@]	Australia	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Motherson Elastomers Pty Limited (% held by MSSL Australia Pty Limited)**	Australia	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Motherson Investments Pty Limited (% held by MSSL Australia Pty Limited)**	Australia	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
MSSL Global RSA Module Engineering Limited (% held by MSSL Mauritius Holdings Limited)[@]	South Africa	100.00%	100.00%	100.00%	-	-	-
Samvardhana Motherson Global Holdings Ltd.* (SMGHL) (% held by MSSL Mauritius Holdings Limited)	Cyprus	51.00%	51.00%	51.00%	51.00%	-	-
India Nails Manufacturing Limited (formerly India Nails Manufacturing Private Limited)***	India	-	100.00%	-	-	-	-
MSSL Japan Limited	Japan	100.00%	100.00%	-	-	-	-
MSSL Automobile Component Ltd	India	100.00%	-	-	-	-	-
Visiocorp Motherson Limited (formerly Schefenacker Motherson Limited)	India	-	-	-	-	49.00%	40.01%
Kyungshin Industrial Motherson Limited	India	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Woco Motherson Limited (FZC) (% through MSSL Mauritius Holdings Limited)[@]	U.A.E	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%
Woco Motherson Elastomers Limited	India	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%
Woco Motherson Advanced Rubber Technologies Limited	India	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%
Balda Motherson Solution India Limited	India	-	-	40.00%	40.00%	40.00%	40.00%
Calsonic Kansei Motherson Auto Products Limited	India	49.00%	49.00%	49.00%	49.00%	49.00%	-
Saks Ancillaries Ltd	India	40.01%	40.01%	40.01%	40.01%	40.01%	40.01%
Wethje Entwicklungs GmbH (% held by Forgu Gmbh)	Germany	50.00%	-	-	-	-	-
Wethje Carbon Composite GmbH(% held by Forgu Gmbh)	Germany	50.00%	-	-	-	-	-
Die Wethje GmbH Kunststofftechnik (% held by Wethje Carbon Composite	Germany	100.00%	-	-	-	-	-

Name of the Company	Country of Incorporation	% voting power held as at December 31, 2011	% voting power held as at March 31, 2011	% voting power held as at March 31, 2010	% voting power held as at March 31, 2009	% voting power held as at March 31, 2008	% voting power held as at March 31, 2007
GmbH)							
Samvardhana Motherson Polymers Limited (Refer Note 7(a) (i) below)	India	51.00%	-	-	-	-	-
Samvardhana Motherson B.V. (NL) (% held by Samvadhana Motherson Polymers Limited) (Refer Note 7(a) (i) below)	The Netherlands	100.00%	-	-	-	-	-
Forgu GmbH (% held by Samvardhana Motherson B.V. (NL))	Germany	100.00%	-	-	-	-	-
SMP Automotive Technology Management Services (Chanchun) Co. Ltd.". (Formerly known as Peguform Corporate Management Services) (Chanchun) Co., Ltd. (Chanchun, CN) (% held by SMP Deutschland GmbH)	China	100.00%	-	-	-	-	-
SMP Automotive Technologies Teruel, Sociedad Limitada (Formerly known as Peguform de Teruel S.L. (Fuentes Claras, ES) (% held by Peguform Iberica S.L.)	Spain	100.00%	-	-	-	-	-
SMP Produtos Automotivos do Brasil Ltda.(Formerly known as Peguform do Brasil Ltda.)(Sao Jose dos Pinhais, BR) (% held by Peguform Iberica S.L.)	Brazil	100.00%	-	-	-	-	-
SMP Deutschland GmbH(Formerly known as Peguform GmbH) (Boetzingen, DE) (Refer Note 7 (a)(i) below)(% held by Forgu Gmbh	Germany	80.00%	-	-	-	-	-
Peguform Iberica S.L. (Polinya / Barcelona, ES) (% held by S.M.B.V) (Refer Note 7(a) (i) below)	Spain	80.00%	-	-	-	-	-
Peguform Mexico S.A.de C.V. (Puebla, MX) (% held by Peguform Iberica S.L.)	Mexico	100.00%	-	-	-	-	-
Peguform Module Division Iberica Cockpits s.l. (Martorell, ES) (% held by Peguform Iberica S.L.)	Spain	100.00%	-	-	-	-	-
SMP Automotive Solutions Personalleasings GmbH (Formerly known as Peguform Personaleasing GmbH) (Boetzingen, DE) (% held by SMP Deutschland GmbH	Germany	100.00%	-	-	-	-	-
Peguform Portugal S.A. (Lisbon, PT) (% held by Peguform Iberica S.L.)	Portugal	100.00%	-	-	-	-	-
Peguform Slovakia s.r.o (Galanta, SK) (% held by Peguform Gmbh)) (% held by Peguform Gmbh)	Slovakia	100.00%	-	-	-	-	-
Chanchun Peguform Automotive Plastics	China	50.00% + 1 Share	-	-	-	-	-

Name of the Company	Country of Incorporation	% voting power held as at December 31, 2011	% voting power held as at March 31, 2011	% voting power held as at March 31, 2010	% voting power held as at March 31, 2009	% voting power held as at March 31, 2008	% voting power held as at March 31, 2007
Technology Co. Ltd (Changchun, CN) (% held by Peguform Iberica S.L.)							
SMP Tecnologia Parachoques S.A. de C.V. (Formerly known as Fabrica de Parachoques de Mexico S.A. de C.V.) (Puebla; MX) (% held by Peguform Iberica S.L.)	Mexico	100.00%	-	-	-	-	-
SMP Shock Absorber Fabrication Mexico S.A. de C.V.(Formerly known as Shock Absorb de Mexico S.A de C.V) (Puebla, MX) (% held by Peguform Iberica S.L.).)	Mexico	100.00%	-	-	-	-	-
Samvardhana Motherson Reflectec Group Holding Limited (SMR) (% held by Samvardhana Motherson Global Holding Limited) (Refer Note 6 below)	Jersey	93.63%	93.60%	95.00%	95.00%	-	-
SMR Automotive Holding Hong Kong Limited (Formerly Elemental Growth Limited)*	Hong Kong	100.00%	100.00%	100.00%	100.00%	-	-
SMR Automotive Technology Holding Cyprus Limited (Formerly Horizonfield Limited) *	Cyprus	100.00%	100.00%	100.00%	100.00%	-	-
SMR Automotive Mirror Systems Holding Deutschland GmbH (formerly Visiocorp Holding Germany GmbH) *	Germany	100.00%	100.00%	100.00%	100.00%	-	-
SMR Automotive Mirrors Stuttgart GmbH (Including SMR Automotive Parts GmbH and SMR Automotive Services Gmbh which merged in the Company w.e.f 7th Dec 2011) *	Germany	100.00%	100.00%	100.00%	100.00%	-	-
SMR Poong Jeong Automotive Mirrors Korea Ltd. (formerly Visiocorp Poong Jeong Co Ltd) *	South Korea	90.00%	90.00%	90.00%	90.00%	-	-
SMR Hyosang Automotive Ltd (formerly Visiocorp Hyosang Ltd) *	South Korea	90.00%	90.00%	90.00%	90.00%	-	-
SMR Holding Australia Pty Ltd (formerly Visiocorp Holding Australia Pty Ltd) *	Australia	100.00%	100.00%	100.00%	100.00%	-	-
SMR Automotive Australia Pty Limited (formerly Visiocorp Australia Pty Ltd) *	Australia	100.00%	100.00%	100.00%	100.00%	-	-
SMR Automotive Taree Pty Limited (formerly Visiocorp Taree Pty Ltd) *	Australia	100.00%	100.00%	100.00%	100.00%	-	-
SMR Automotive Mirror Technology Hungary BT (formerly Visiocorp Hungary BT) *	Hungary	100.00%	100.00%	100.00%	100.00%	-	-
SMR Grundbesitz GmbH & Co. KG (formerly Visiocorp Grundbesitz GmbH & Co. KG)	Germany	94.00%	94.00%	94.00%	94.00%	-	-

Name of the Company	Country of Incorporation	% voting power held as at December 31, 2011	% voting power held as at March 31, 2011	% voting power held as at March 31, 2010	% voting power held as at March 31, 2009	% voting power held as at March 31, 2008	% voting power held as at March 31, 2007
*							
SMR Automotive Mirror Parts and Holdings UK Ltd (Formerly Visiocorp Management UK Ltd) *	United Kingdom	100.00%	100.00%	100.00%	100.00%	-	-
SMR Automotive Services Portchester Ltd (Formerly Portchester Ltd.) (% held by SMR)	United Kingdom	100.00%	76.90%	76.90%	76.90%	-	-
SMR Automotive Mirrors UK Limited (formerly Visiocorp UK Ltd) *	United Kingdom	100.00%	100.00%	100.00%	100.00%	-	-
SMR Automotive Technology Valencia S.A.U. (formerly Visiocorp Automotive Valencia S.A.U.)*	Spain	100.00%	100.00%	100.00%	100.00%	-	-
SMR Automotive Mirror Services UK Ltd (formerly Visiocorp Services UK Ltd.) *	United Kingdom	100.00%	100.00%	100.00%	100.00%	-	-
SMR Automotive Technology Holdings USA Partners (formerly Visiocorp Holding USA LLP)*	USA	100.00%	100.00%	100.00%	100.00%	-	-
SMR Automotive Mirror International USA Inc. (formerly Visiocorp International USA Inc.) *	USA	100.00%	100.00%	100.00%	100.00%	-	-
SMR Automotive Systems USA Inc. (formerly Visiocorp USA Inc.) *	USA	100.00%	100.00%	100.00%	100.00%	-	-
SMR Automotive Systems France S.A. (formerly Visiocorp France S.A.) *	France	100.00%	100.00%	100.00%	100.00%	-	-
SMR Automotive Systems India Limited (formerly Visiocorp Motherson Ltd) *	India	100.00%	100.00%	100.00%	100.00%	-	-
SMR Automotive Yancheng Co. Limited (formerly Visiocorp Automotive Yancheng Co Ltd) *	China	100.00%	100.00%	100.00%	100.00%	-	-
SMR Automotive Beijing Company Limited (formerly Visiocorp Automotive Beijing Co Ltd) *	China	100.00%	100.00%	100.00%	100.00%	-	-
SMR Automotive Mirror Technology Holding Hungary KFT (formerly Visiocorp Holding Hungary KFT) *	Hungary	100.00%	100.00%	100.00%	100.00%	-	-
SMR Automotive Systems Spain S.A.U (formerly Visiocorp Espana S.A.U.) *	Spain	100.00%	100.00%	100.00%	100.00%	-	-
SMR Automotive Vision Systems Mexico S.A de C.V (formerly Visiocorp Mexico S.A. de C.V.) *	Mexico	100.00%	100.00%	100.00%	100.00%	-	-
SMR Automotive Servicios Mexico S.A de C.V (formerly Visiocorp Servicios S.A. de C.V.) *	Mexico	100.00%	100.00%	100.00%	100.00%	-	-
SMR Patents S.à.r.l. (formerly Visiocorp Patents S.a.r.l) *	Luxembourg	100.00%	100.00%	100.00%	100.00%	-	-

Name of the Company	Country of Incorporation	% voting power held as at December 31, 2011	% voting power held as at March 31, 2011	% voting power held as at March 31, 2010	% voting power held as at March 31, 2009	% voting power held as at March 31, 2008	% voting power held as at March 31, 2007
SMR Automotive Beteiligungen Deutschland GmbH (formerly Visiocorp Beteiligungs GmbH) *	Germany	100.00%	100.00%	100.00%	100.00%	-	-
SMR Ningbo Huasiang Automotive Mirror Co. Ltd (formerly Ningbo Visiocorp Huasiang Automotive Mirror Co. Ltd) *	China	50.00%	50.00%	50.00%	50.00%	-	-
SMR Automotive Systems Macedonia DOOEL skopje *	Macedonia	100.00%	-	-	-	-	-
SMR Automotive Brasil Ltda. *	Brazil	100.00%	100.00%	100.00%	-	-	-
SMR Automotive Systems (Thailand) Limited *	Thailand	100.00%	100.00%	-	-	-	-
Vacuform 2000 (Pty) Limited (Vacuform) (refer note 7 (a) (ii) below	South Africa	51.00%	-	-	-	-	-
Celulosa Fabril S.A.	Spain	50.00%	-	-	-	-	-

Note: Reporting dates used for consolidation are 31st December 2011 and 31st March of the respective years unless otherwise stated.
@ Reporting date is December for all period/years..
[1] There is a change in accounting period from December 31, 2009 to March 31, 2010. Consequently, the Group has consolidated financials for fifteen months from January 1, 2009 to March 31, 2010. This change does not have any significant impact on these restated consolidated financial information.
*****Share held through Samvardhana Motherson Reflectec Group Holdings Limited (SMR)
[**] During the year ended March 31, 2011, there is a change in accounting period from December 31, 2010 to March 31, 2011. Consequently the Company has consolidated financials for fifteen months from January 1, 2010 to March 31, 2011. The change does not have any significant impact on these restated consolidated financial information.
*** Refer note 7(a) (iv) and 7 (b) (ix) below.

6. Acquisition of Subsidiaries of Visiocorp Plc.(in administration*):

(i) On March 06, 2009 Samvardhana Motherson Visiocorp Solution Limited, subsequently renamed as Samvardhana Motherson Reflectec Group Holdings Limited ("SMR"), incorporated in Jersey, 95% owned by Samvardhana Motherson Global Holdings Limited ("SMGHL"), together with its subsidiaries acquired all the subsidiaries of Visiocorp Plc. (in administration*) for a cash consideration of EUR 24.8 Million and issue of consideration shares amounting to EUR 1.5 Million to the lenders of the erstwhile Visiocorp Group. SMGHL is a joint venture of the Company through 100% subsidiary Samvardhana Motherson Holding (M) Private Limited ("SMHM") and Motherson Sumi Systems Limited ("MSSL"). The Company holds 49% in SMGHL through SMHM with balance 51% being held by MSSL.

*A procedure followed in the United Kingdom for reorganisation of insolvent or potentially insolvent companies.

As a result, the following subsidiaries/joint ventures of Visiocorp Plc (in administration) were transferred to (directly or indirectly) SMR (held by SMGHL), and consolidated by the Company as joint ventures:

Name of the Company	Country of Incorporation	% voting power held as at December 31, 2011	% voting power held as at March 31 2011	% voting power held as at March 31,2010	% voting power held as at March 31 2009	% voting power held as at March 31 2008	% voting power held as at March 31 2007
SMR Automotive Holding Hongkong Ltd*	HongKong	100.00%	100.00%	100.00	100.00%	-	-
SMR Automotive Technology Holding Cyprus Ltd*	Cyprus	100.00%	100.00%	100.00%	100.00%	-	-
SMR Automotive Mirror Systems Holding Deutschland	Germany	100.00%	100.00%	100.00%	100.00%	-	-

Name of the Company	Country of Incorporation	% voting power held as at December 31, 2011	% voting power held as at March 31 2011	% voting power held as at March 31,2010	% voting power held as at March 31 2009	% voting power held as at March 31 2008	% voting power held as at March 31 2007
GmbH (formerly Visiocorp Holding Germany GmbH)*							
SMR Automotive Mirrors Stuttgart GmbH (Including SMR Automotive Parts GmbH and SMR Automotive Services Gmbh which merged in the Company w.e.f 7th Dec 2011) *	Germany	100.00%	100.00%	100.00%	100.00%	-	-
SMR Poong Jeong Automotive Mirrors Korea Ltd. (formerly Visiocorp Poong Jeong Co Ltd) *	South Korea	90.00%	90.00%	90.00%	90.00%	-	-
SMR Hyosang Automotive Ltd (formerly Visiocorp Hyosang Ltd)*	South Korea	90.00%	90.00%	90.00%	90.00%	-	-
SMR Holding Australia Pty Ltd (formerly Visiocorp Holding Australia Pty Ltd)*	Australia	100.00%	100.00%	100.00%	100.00%	-	-
SMR Automotive Australia Pty Limited (formerly Visiocorp Australia Pty Ltd)*	Australia	100.00%	100.00%	100.00%	100.00%	-	-
SMR Automotive Taree Pty Limited (formerly Visiocorp Taree Pty Ltd)*	Australia	100.00%	100.00%	100.00%	100.00%	-	-
SMR Automotive Mirror Technology Hungary BT (formerly Visiocorp Hungary BT)*	Hungary	100.00%	100.00%	100.00%	100.00%	-	-
SMR Grundbesitz GmbH & Co. KG (formerly Visiocorp Grundbesitz GmbH & Co. KG)*	Germany	94.00%	94.00%	94.00%	94.00%	-	-
SMR Automotive Mirror Parts and Holdings UK Ltd (Formerly Visiocorp Management UK Ltd) *	United Kingdom	100.00%	100.00%	100.00%	100.00%	-	-
SMR Automotive Services Portchester Ltd (Formerly Portchester Ltd.) (% held by SMR) *	United Kingdom	100.00%	100.00%	100.00%	100.00%	-	-
SMR Automotive Mirrors UK Limited (formerly Visiocorp UK Ltd) *	United Kingdom	100.00%	100.00%	100.00%	100.00%	-	-
SMR Automotive Technology Valencia S.A.U. (formerly Visiocorp Automotive Valencia S.A.U.)*	Spain	100.00%	100.00%	100.00%	100.00%	-	-
SMR Automotive Mirror Services UK Ltd (formerly Visiocorp Services UK Ltd.)*	United Kingdom	100.00%	100.00%	100.00%	100.00%	-	-
SMR Automotive Technology Holdings USA Partners (formerly Visiocorp Holding USA LLP)*	USA	100.00%	100.00%	100.00%	100.00%	-	-
SMR Automotive Mirror International USA Inc. (formerly Visiocorp International USA Inc.)*	USA	100.00%	100.00%	100.00%	100.00%	-	-
SMR Automotive Systems USA Inc. (formerly Visiocorp USA Inc.)*	USA	100.00%	100.00%	100.00%	100.00%	-	-
SMR Automotive Systems	France	100.00%	100.00%	100.00%	100.00%	-	-

Name of the Company	Country of Incorporation	% voting power held as at December 31, 2011	% voting power held as at March 31 2011	% voting power held as at March 31,2010	% voting power held as at March 31 2009	% voting power held as at March 31 2008	% voting power held as at March 31 2007
France S.A. (formerly Visiocorp France S.A.)*							
SMR Automotive Systems India Limited (formerly Visiocorp Motherson Ltd)*	India	100.00%	100.00%	100.00%	100.00%	-	-
SMR Automotive Yancheng Co. Limited (formerly Visiocorp Automotive Yancheng Co Ltd)*	China	100.00%	100.00%	100.00%	100.00%	-	-
SMR Automotive Beijing Company Limited (formerly Visiocorp Automotive Beijing Co Ltd) *	China	100.00%	100.00%	100.00%	100.00%	-	-
SMR Automotive Mirror Technology Holding Hungary KFT (formerly Visiocorp Holding Hungary KFT)*	Hungary	100.00%	100.00%	100.00%	100.00%	-	-
SMR Automotive Systems Spain S.A.U. (formerly Visiocorp Espana S.A.U.)*	Spain	100.00%	100.00%	100.00%	100.00%	-	-
SMR Automotive Vision Systems Mexico S.A de C.V (formerly Visiocorp Mexico S.A. de C.V.) *	Mexico	100.00%	100.00%	100.00%	100.00%	-	-
SMR Automotive Servicios Mexico S.A de C.V (formerly Visiocorp Servicios S.A. de C.V.) *	Mexico	100.00%	100.00%	100.00%	100.00%	-	-
SMR Patents S.à.r.l. (formerly Visiocorp Patents S.a.r.l) *	Luxembourg	100.00%	100.00%	100.00%	100.00%	-	-
SMR Automotive Beteiligungen Deutschland GmbH (formerly Visiocorp Beteiligungs GmbH)*	Germany	100.00%	100.00%	100.00%	100.00%	-	-
SMR Ningbo Huasiang Automotive Mirror Co. Ltd (formerly Ningbo Visiocorp Huasiang Automotive Mirror Co. Ltd) *	China	50.00%	50.00%	50.00%	50.00%	-	-
SMR Automotive Brasil Ltda.*	Brazil	100.00%	100.00%	100.00%	-	-	-
SMR Automotive Systems (Thailand) Limited*	Thailand	100.00%	100.00%	-	-	-	-
SMR Automotive Systems Macedonia DOOEL skopje*	Macedonia	100.00%	100.00%	-	-	-	-

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Note: Reporting dates used for consolidation are 31st December 2011 and 31st March of the respective years unless otherwise stated.

*Shareholding percentage are of those held by Samvardhana Motherson Reflectec Group Holding Limited, Jersey (SMR).

The total acquisition cost amounted to Rs. 1,417.2 million through SMGHL:

a) Purchase price of the 100% shares: Rs. 1,234.6 million.

b) Costs directly attributable to the acquisition of the Visiocorp incurred for consultants and legal advisors amounts to Rs. 107.8 million.

c) Costs directly attributable to the acquisition of the Visiocorp incurred for the release of securities provided by the erstwhile Visiocorp Group to its financing parties amounting to Rs. 74.8 million.

d) The book value of the net assets acquired amount to Rs. 2,202.5 million. Accordingly an amount of Rs. 785.3 million, being the excess of the net assets acquired over the acquisition cost has been recognised as a capital reserve on consolidation.

e) Further, the Group has recognised cash contribution receivable from certain business stakeholders in SMR Group. The Group recognised Rs. 825.7 million in year 2008-09 and Rs. 632.6 million in year 2009-10 as Other Income in respect of the cash contribution. (Refer Annexure XVII on restated consolidated statement of other income).

f) SMR Group has also accrued for an amount of Rs 81.7 million in 2008-09 for payments to be made to certain business stakeholders for continued business support post acquisition of subsidiaries of Visiocorp Plc. (in administration).

g) To the extent of Company's equity holding of 49% in SMGHL, the consolidated financial statements of SMR Group have been consolidated on a line by line basis. As SMGHL is a subsidiary of MSSL, the indirect equity interest in SMGHL is considered in this restated consolidated financial information by proportionately consolidating to the extent of Company's equity holding in MSSL using the restated consolidated financial information of MSSL (which includes 100% of SMR Group, as a joint venture of the Company), as required under AS 27 on 'Financial Reporting of Interests in Joint Ventures'. Accordingly, minority interest in the restated consolidated financial information of the Company includes the equity interest of the Company in SMR Group based on restated consolidated financial information from MSSL.

h) The costs incurred for consultants and legal advisors aggregating to Rs. 107.8 million [as mentioned in (b) above] have been charged to the profit and loss as a restatement adjustment in these restated consolidated financial information considering the present practice being followed by the Group and consequently, the capital reserve on consolidation has been restated at Rs. 893.1 million [Refer Note 1 (c) of Annexure V and Annexure XV].

7. Significant Developments :

a. <u>During the nine months' interim period ended December 31, 2011</u>

i. Acquisition of Peguform Group:

On November 23, 2011, Samvardhana Motherson B.V. (SMBV), a wholly owned subsidiary of Samvardhana Motherson Polymers Limited ("SMPL"), incorporated in The Netherlands, together with its subsidiary Forgu GmbH (together referred to as overseas Special Purpose Vehicles) acquired 80% equity in Peguform Iberica, SL (including subsidiaries and joint ventures) and 50% stake each in Wethje Entwicklungs, GmbH and Wethje Carbon Composite, GmbH (including its subsidiary) and acquired 74.8% equity in Peguform GmbH (subsequently renamed as SMP Deutschland Gmbh) (including its subsidiaries and joint ventures) with another 5.2% equity in Peguform GmbH acquired by Samvardhana Motherson Global Holdings Limited (SMGHL). SMPL is a joint venture of the Company incorporated during the period ended December 31, 2011, in which the Company holds 49% and Motherson Sumi Systems Limited (MSSL) holds 51% share. The above acquired companies are hereinafter referred to as "SMP Group".

SMP group acquired is in the business of manufacturing of dash boards, bumpers, door trims and plastic modules for car manufacturers in Germany and Europe with a presence in seven countries.

Pursuant to the above, the following entities were transferred (directly or indirectly) in SMPL/SMGHL and consolidated by the Company as joint ventures/ associates:

Name of Company	Country of incorporation	% voting power controlled	Reporting Date used for consolidation
SMP Deutschland GmbH(Formerly known as Peguform GmbH) (Boetzingen, DE)	Germany	80%	December 31, 2011
Peguform Iberica S.L. (% held by S.M.B.V)	Spain	80%	December 31, 2011
SMP Automotive Solutions Personalleasings GmbH (Formerly known as Peguform Personaleasing GmbH) (Boetzingen, DE) (% held by SMP Deutschland GmbH)	Germany	100%	December 31, 2011
Peguform Slovakia s.r.o. (held by Peguform GmbH)	Slovakia	100%	December 31, 2011

Name of Company	Country of incorporation	% voting power controlled	Reporting Date used for consolidation
Chanchun Peguform Automotive Plastics Technology Co. Ltd. (held by Peguform GmbH)	China	50% +1 Share	December 31, 2011
SMP Automotive Technology Management Services (Chanchun) Co. Ltd.". (Formerly known as Peguform Corporate Management Services) (Chanchun) Co., Ltd. (Chanchun, CN) (% held by SMP Deutschland GmbH)	China	100%	December 31, 2011
Peguform Mexico S.A. de C.V (held by Peguform Iberica S.L.)	Mexico	100%	December 31, 2011
SMP Tecnologia Parachoques S.A. de C.V. (Formerly known as Fabrica de Parachoques de Mexico S.A. de C.V.) (Puebla; MX) (% held by Peguform Iberica S.L.)	Mexico	100%	December 31, 2011
SMP Shock Absorber Fabrication Mexico S.A. de C.V.(Formerly known as Shock Absorb de Mexico S.A de C.V) (Puebla, MX) (% held by Peguform Iberica S.L.)	Mexico	100%	December 31, 2011
Peguform Module Division Iberica Cockpits s.l. (held by Peguform Iberica S.L.)	Spain	100%	December 31, 2011
Peguform Portugal S.A. (held by Peguform Iberica S.L.)	Portugal	100%	December 31, 2011
Celulosa Fabril S.A. (held by Peguform Iberica S.L.)	Spain	50%	December 31, 2011
SMP Automotive Technologies Teruel, Sociedad Limitada (Formerly known as Peguform de Teruel S.L. (Fuentes Claras, ES) (% held by Peguform Iberica S.L.)	Spain	100%	December 31, 2011
SMP Produtos Automotivos do Brasil Ltda.(Formerly known as Peguform do Brasil Ltda.)(Sao Jose dos Pinhais, BR) (% held by Peguform Iberica S.L.)	Brazil	100%	December 31, 2011
Wethje Entwicklungs GmbH (% held by Forgu GmbH)	Germany	50%	December 31, 2011
Wethje Carbon Composite GmbH (% held by Forgu GmbH)	Germany	50%	December 31, 2011
Die Wethje GmbH Kunststofftechnik (% held by Wethje Carbon Composite GmbH)	Germany	100%	December 31, 2011

The group consideration (prior to applying principle of proportionate consolidation/equity accounting) for the acquisition of SMP group by SMGHL, Forgu Gmbh and SMBV is Rs. 9,781.2 Million (Euro 141.5 million) in the following manner:-

	In Peguform Gmbh.	In Peguform Iberica S.L	Wethje Carbon Composite GmbH	Wethje Entwicklungs GmbH
SMBV		Rs. 3,500.7 Mn (€ 50.6 Mn)		
Forgu Gmbh	Rs.5,452.2 Mn (€78.9 Mn)		Rs. 395.1 Mn (€ 5.7 Mn)	Rs. 54.2 Mn (€ 0.8 Mn)
SMGHL	Rs. 379.0 Mn (€5.5 Mn)			

To the extent of Company's equity holding of 49% in SMPL, the financial statements of SMPL have been consolidated on a line by line basis. As SMPL is also a subsidiary of MSSL, the Company's indirect equity interest in SMPL is considered in these consolidated financial statements using the consolidated financial statements of MSSL, as a joint venture of the Company, as required under Accounting Standard AS 27 on "Financial Reporting of interest in Joint Ventures". Accordingly, minority interest in these consolidated financial statements of the Group includes the equity interest of the Company in SMPL based on consolidated financial statements of MSSL.

Further, the Company and MSSL have entered into a binding agreement to bear losses incurred by SMP group in proportion to its shareholding of 49% and the finance costs in respect of loan guaranteed by the Company. Accordingly, minority interest in these consolidated financial statements includes a

loss of Rs. 749.1 Million in SMP group attributed to the Company based on consolidated financial statement of MSSL.

SMP Group's proportionate share of book value of the net assets acquired amounted to Rs. 7,296.8 Millions (Euro 102.3 Millions). Accordingly an amount of Rs. 1,064.3 Millions (Euro 15.4 Million, being the excess of acquisition cost over the net assets acquired has been recognised as goodwill on consolidation and Rs.222.2 Millions has been recognized as goodwill as part of investments in Associate entities. The proportionate share of investment made by SMGHL aggregating to Rs. 184.7 Millions has been carried at cost and disclosed under Investments.

Further, the Group's proportionate share of costs directly attributable to the acquisition of SMP Group and one-time costs incurred including due diligence expenses, upfront and arranger's fees etc. amounting to Rs. 671.7 Millions has been charged to the profit and loss account.

As a consequence of the acquisition of SMP Group, numbers as of and for the period ended December 31, 2011 are not comparable to those of the previous years.

ii. Acquisition of Vacuform 2000 (Pty) Limited

Motherson Sumi Systems Limited (MSSL) has acquired a 51 % stake in Vacuform 2000 (Pty) Limited, a company registered in the Republic of South Africa. Upon receipt of necessary approval, the Company has now consolidated the results of Vacuform 2000 (Pty) Limited ("Vacuform") with effect from July 1, 2011. The aggregate purchase price paid by MSSL amounted to Rs. 0.0 million (excluding shareholder loan amounting to Rs.23.11 million).

Vacuform is engaged in the manufacture and sale of thermo-formed plastic, polyurethane and automotive components.

Accordingly an amount of Rs. 16.3 million being the excess of acquisition cost over the net assets acquired has been recognised as goodwill on consolidation which has been fully impaired during the current period.

iii. The Company has sold its entire 49% stake in joint venture company Webasto Motherson Sunroofs Ltd. ("WMSL") and terminated its joint venture agreement with the joint venturer, Webasto AG Germany on April 4, 2011. The Company has since received consideration amounting to Rs. 28.4 Millions. Accordingly profit of Rs. 38.8 million has been recognised on sale.

iv. a.Motherson Sumi Systems Limited (MSSL) filed for approval of the Hon'ble High Court of Judicature at Delhi arrangements as embodied in the Scheme of Amalgamation ("the Scheme") of the erstwhile Sumi Motherson Innovative Engineering Limited (SMIEL), a joint venture of the Company and wholly owned subsidiaries of MSSL namely, India Nails Manufacturing Limited (India Nails) and MSSL Global Wiring Limited (MGWL), the transferor Companies with the Company (Motherson Sumi Systems Limited), the transferee Company. The Hon'ble High Court of Judicature of Delhi has vide order dated January 30, 2012 inter alia ordered that with effect from April 1, 2011 (the Appointed Date) all properties, rights and powers and liabilities and duties of the transferor companies are transferred and vested in MSSL. Pursuant to the said order its effect has been accounted for under the "pooling of interests" method as prescribed under Accounting Standard (AS-14) notified under Companies (Accounting Standards) Rules, and the specific provisions of the order of the Hon'ble High Court. The certified copy of the order of the Hon'ble High court has been filed with the Registrar of the Companies on March 31, 2012. Accordingly, all the assets and liabilities of the transferor companies as on April 1, 2011 have been recorded by MSSL at their respective amounts. There is no significant impact of the above amounts on the consolidated financial results. Any further directions, explanations or clarifications consistent with the above shall be obtained from the Hon'ble High Court as may be required.

b. Pursuant to the order of the High Court in consideration for the above transfer and vesting of SMIEL with MSSL, the equity shareholders of SMIEL shall, for every 57 equity shares of Rs. 10 each fully paid up held as on the record date, be issued 10 equity shares of Re. 1/- each of MSSL. MSSL will issue 4,420,360 new shares including 711,569 shares to the Company. MSSL is yet to

allot the shares to be issued pursuant to the scheme. Consequently, the Company's percentage of voting power in MSSL has diluted from 36.34% to 36.12% w.e.f. April 1, 2011. There is no significant effect of this amalgamation on these financial statements.

v. The Company has agreed to invest in 49,400 equity shares of Motherson Sintermetal Technology Limited ("MSTL") as a subscriber to the Memorandum of Association of MSTL. The Board of Directors of MSTL have also approved the allotment of shares to the subscribers of Memorandum of Association on its meeting held on December 22, 2012. Accordingly, MSTL has been treated as a subsidiary in these financial information. Subsequent to the year end, the Company has invested an amount of Rs. 0.5 Million in MSTL thereby acquiring 98.8% equity shareholder in MSTL. The Company has entered into an agreement dated March 15, 2012 with the current owner of Sintermetal S.A, a Spanish Company pursuant to which Sintermetal S.A shall become a wholly owned subsidiary of MSTL and the current owner of Sintermetal S.A shall hold 49% shareholding in MSTL.

b. <u>During the year ended March 31, 2011</u>

i. Due to conversion in equity of Zero Coupon Foreign Currency Convertible Bonds issued by MSSL, stake of the Company in MSSL reduced from 37.6% to 36.34% towards the year end. This resulted in credit to Profit & Loss account aggregating to Rs. 87.7 million.

ii. Tigers Connect Travel Systems & Solutions Ltd. (formerly Motherson Automation Technology Ltd) has become a 100% subsidiary of the Company consequent to the acquisition.

iii. During the year, the Group has acquired 18,500,000, 0% compulsorily convertible preference shares of Rs. 10 each of Magneti Marelli Motherson Auto Systems Limited, an existing joint venture company.

iv. During the year, the Company has sold off the entire investment held in Motoman Motherson Robotics Ltd) to Yaskawa Electric Corporation for consideration of Rs. 49.3 Millions and resulted in gain on disposal of Rs. 40.2 Millions.

v. During the year, the Group sold the entire investment held in SCCL Infra Projects Limited (Formerly known as Avonhill Ltd) (previously a 100% subsidiary) for an aggregate consideration of USD 0.1million, resulting in a gain of Rs. 1.0 million.

vi. During the year, Motherson Bergstrom HVAC Solution Private Limited has become a subsidiary of the Company consequent to the acquisition of 51% in equity shares.

vii. During the year, the Group has subscribed for 49% in equity shares in Nachi Motherson Precision Limited, a new joint venture company.

viii. During the year, on May 18, 2010, MSSL had, pursuant to an agreement with Balda AG & Balda Investment Mauritius Limited, purchased 60% shareholding held by Balda Investment Mauritius Limited, in Balda Motherson Solutions India Limited (BMSI) (erstwhile joint venture company), thereby making BMSI a 100% subsidiary of MSSL. Further, the Hon'ble High Court of Judicature at Delhi has approved on March 21, 2011 the arrangement as embodied in the Scheme of Amalgamation ("the Scheme") of the erstwhile Balda Motherson Solutions India Limited ("BMSI") & Motherson Tradings Limited ("MTL"), subsidiaries of MSSL, the transferor Company with MSSL, the transferee Company. As per the Scheme, the aforesaid transaction is recorded in such a manner so that with effect from the appointed date (April 1, 2010), all assets and liabilities are vested in MSSL. The amalgamation has been accounted for under the "pooling of interests" method as prescribed by Accounting Standard (AS-14) notified under Companies (Accounting Standards) Rules, 2006 as issued under section 211(3C) of the Companies Act 1956 and the specific provisions of the Scheme. Accordingly, all the assets, liabilities and reserves of the transferor company as on April 1, 2010 have been recorded by MSSL at their respective carrying amounts.

The impact on the reserves in the consolidated financial results through MSSL is as follows:

Currency: Indian Rupees in Millions

Increase/ (Decrease)	BMSI	MTL	Total
Capital Reserve	-	(5.3)	(5.3)
Reserve on Amalgamation	244.1	(0.8)	243.3
Profit & Loss Account	(225.4)	6.0	(219.4)

ix. On March 31, 2011, MSSL, acquired 100% shares of India Nails Manufacturing Limited (formerly India Nails Manufacturing Private Limited). Accordingly, goodwill on consolidation of Rs. 174.0 million (Proportionate share of SMFL Rs.63.2 million) has been recognised in the restated consolidated financial information.

x. During the year 2010-11, Company's joint venture with Miyazu Seisakusho Co. Ltd., Japan, namely Miyazu Motherson Engineering Design Limited has been terminated and the name of Company changed from Miyazu Motherson Engineering Design Ltd. to Motherson Auto Engineering Service Ltd (MAESL). w.e.f.01.12.2010. MAESL has been accounted for as a subsidiary during the year ended March 31, 2011 on acquisition of shares from the venture for a nominal consideration.

There is no significant change in the financial position of the Group at the balance sheet date or in the results for the year ended March 31, 2011 as a result of addition of the new subsidiaries or disposal of existing subsidiaries during the year.

c. <u>During the year ended March 31, 2010</u>

i. The Company acquired additional stake in Motherson Sumi Systems Ltd. (MSSL) from promoters, increasing its shareholding from 34.39% to 39.61%. Further, due to conversion in equity of Zero Coupon Foreign Currency Convertible Bonds issued by MSSL, stake of the Company in MSSL reduced from 39.61% to 37.6% towards the year end. This resulted in credit to Profit & Loss account aggregating to Rs. 194 million and net additional goodwill on consolidation of Rs. 737.3 million.

ii. MothersonSumi Infotech & Designs Ltd made a rights issue through which the Company acquired majority stake and consequently, MothersonSumi Infotech & Designs Ltd has become subsidiary of the Company.

iii. Samvardhana Motherson Virtual Analysis Ltd. (Formerly Motherson Time Tooth Technology) (previously subsidiary with 50.69%) has become 100% subsidiary of the Company consequent to the acquisition of Time Tooth Technologies LLC, USA.

iv. The Company infused further share capital of Rs. 2.5 million in Motherson Machinery and Automations Ltd (an existing 100% subsidiary of the Company).

v. The Company subscribed to preference share capital of Rs. 20 million in Tiger Connect Travel Systems & Solutions Ltd.

vi. Anest Iwata Motherson Ltd., a joint venture of the Company issued further equity capital of Rs. 80 million and the Company subscribed to 49% of the issue which is in the proportion of the existing shareholding.

vii. Motherson Advanced Tooling Solutions Ltd., an existing subsidiary entered into an Business Transfer Agreement (BTA) with Dagger Forst Tools Limited ("DFTL") on January 29, 2009 for the transfer of specific business undertakings engaged in the manufacture and sale of cutting tools on a going concern basis to MATS subject to fulfillment of specific conditions at an agreed consideration. The specific business undertakings include the entire facilities of DFTL located at Aurangabad, Gandhidham and the facility located at leasehold premises at Ambernath.

Pursuant to the said Agreement and other Supplemental Agreements, MATS took over management control of the specific business undertakings from DFTL effective June 1, 2009. The details of the total purchase consideration paid are as below**:**

Currency: Indian Rupees in Millions

Particulars		Amount
Fixed Assets		**444.4**
Inventories	35.8	
Sundry Debtors	56.2	
Loans and Advances	4.9	
Less:		
Current Liabilities	11.8	
Provisions	68.4	
Net Current Assets		**16.7**
Total Purchase Consideration		**461.1**

i. MSSL, has purchased the minority interest of 43.87% in its Subsidiary Motherson Tradings Ltd. ("MTL") (formerly known as Motherson PUDENZ WICKMANN Limited (MPWL)) making MTL its 100% subsidiary.

ii. Motherson Auto Solutions Limited is developing 250 acres Industrial Park in Chennai. The Company has subscribed to 66% of the issued equity share capital of Motherson Auto Solutions Ltd for a consideration of Rs. 296 million, resulting in it becoming a subsidiary of the Company.

iii. CTM India Ltd., a joint venture between the Company & ATAR Mauritius, CTM India Ltd is into manufacturing of tools & moulds to be used in Injection moulding business. The Company purchased 41% of the equity in this joint venture.

iv. Motherson Climate System Ltd, a wholly owned subsidiary of the Company, engaged in Trading of Chiller & Deep Freezer was setup during the year, in which the Company invested Rs. 20 million.

v. During the year, Samvardhana Motherson Finance Services Inc. has reduced its share capital by USD 0.2 million.

vi. During the year, SMR, a joint venture company initiated and completed restructuring activities at its manufacturing facilities located in Germany, France and Australia. SMR incurred Rs. 832.4 million (proportionate share of SMFL Rs. 712.28 millions) for such restructuring activity.

There is no significant change in the financial position of the group at the balance sheet date or in the results for the year ended March 31, 2010 as a result of addition of the new subsidiaries during the year.

d. <u>During the year ended March 31, 2009</u>

i. **Start of Operations in Motherson Molds and Diecasting Ltd. (MMDL)**

During the year, the Company has invested an additional equity of Rs. 34.18 million in Motherson Molds and Diecasting Ltd, an existing subsidiary. Further, MMDL has increased its issued share capital resulting in dilution of stake of the Company from 100% to 51%. MMDL has set up a Tooling facility to serve the automotive sector.

ii. **Investment in Tigers Connect Travel Systems Ltd (TCTSL)**

During the year, the Company has invested an additional equity of Rs. 4.6 million in Tigers Connect Travel Systems Ltd (formerly Motherson Automation Technology Ltd.), an existing subsidiary. Further TCTSL has increased its issued share capital resulting in dilution of stake of the company from 100% to 51%. TCTSL is engaged in providing online booking of Tour & Travel services to its clients.

iii. **Investment in Motherson Machinery And Automations Limited (MMAL)**

During the year, the Company has invested an additional equity of Rs. 2.0 million in Motherson Machinery And Automation Limited, an existing subsidiary. MMAL is an industrial trading company focusing on Machine Tools and Hydraulic Products.

iv. **Investment in Motherson Advanced Tooling Solutions Limited (MATS)**

During the year, the Company invested Rs. 200 million in(MATS, a new subsidiary. MATS is engaged in high quality broaches and HSS gear cutting tools for wide spectrum industry segment. A business transfer agreement has been executed between the Company and Dagger Forst Tools Limited (DFTL) on 29.01.2009 for the purchase of the business undertaking of DFTL by MATS as a going concern on slump sale basis subject to satisfaction of various conditions precedents. MATS purchased the business of DFTL with effect from June 1, 2009 for a consideration of Rs. 461 million.

v. **Investment in Samvardhana Motherson Holding (M) Private Limited.**

During the year, the Company invested Rs. 64 million in Samvardhana Motherson Holding (M) Private Limited (SMHPL), a new subsidiary. SMFL holds 49% in Samvardhana Motherson Reflectec Group Holdings Limited (SMR) through SMHPL.

vi. During the year, the Group has invested USD 4.3 million in Fritzmeier Motherson Cabin Engineering Ltd (FMCEL) and USD 3.2 million in Magneti Marelli Motherson Holding B.V. both existing joint venture companies and USD 1.1 million in Samvardhana Motherson Finance Services Inc., an existing subsidiary.

vii. During the year, the Group invested 19.6 million each in Spheros Motherson Thermal System Ltd and Webasto Motherson Sunroofs Ltd., both existing joint venture companies.

viii. During the year, the Group invested in Avonhill Limited as a subsidiary of Samvardhana Motherson Finance Services Cyprus Ltd for a consideration of USD 0.1 million.

ix. **Additional share purchase of MSSL and goodwill thereon during the year**-

The Company has purchased 46.1 million equity shares of Motherson Sumi Systems Limited for a total purchase consideration of Rs. 3,130.8 million. In this transaction, goodwill amounting to Rs. 2,113.9 million being excess of the total consideration paid over Company's proportionate share of MSSL's capital and reserves has been recognised in restated consolidated financial information.

x. During the year, Balda Motherson Solution India Limited, a joint venture of MSSL, has written down the entire block of fixed assets (except land) which constitute a cash generating unit based on recoverable amounts of such assets. Consequently, the Group has recognized Rs. 111.7 million, equivalent to group share (proportionate share of SMFL Rs 38.4 million), as impairment in these restated consolidated financial information. Also refer note (xi) for the year ended March 31, 2008 below.

xi. MTTT Inc., a subsidiary of the Company, has incurred losses since inception and suspended its operations in December 2008. Accordingly, the Group has made provision for impairment of goodwill aggregating to Rs. 19.2 million which has been accounted under depreciation and impairment in the profit and loss account and reversed deferred tax assets aggregating to Rs. 13.0 million which has been accounted for under tax expense in the profit and loss account. During the year 2010-11, MTTT Inc. closed its business operations. The Company wrote off its investments in MTTT Inc. net of amounts realized and costs already accounted for.

There is no significant change in the financial position of the Group at the balance sheet date or in the results for the year ended March 31, 2009 as a result of addition of the new subsidiaries during the year.

e. <u>During the year ended March 31, 2008</u>

i. Due to conversion in equity of Zero Coupon Foreign Currency Convertible Bonds issued by MSSL, stake of the Company in MSSL reduced from 21.6% to 21.4% towards the year end. This resulted in credit to Profit & Loss account aggregating to Rs. 18.2 million.

ii. During the year, the Company has invested Rs.1.3 million in an overseas company, Samvardhana Motherson Finance Services Cyprus Limited, a new subsidiary.

iii. During the year, the Group has invested Rs. 0.5 million in Nissin Advance Coating Indo Co. Limited, an existing joint venture company. It is engaged in providing advanced thin film coating.

iv. During the year, the Group has invested Rs. 0.5 million in Motherson Zanotti Refrigeration Systems Limited, a new subsidiary. It is engaged in providing wide range of refrigeration systems for automobile and stationary applications including cold rooms and cold storages.

v. During the year, the Group has invested Rs. 0.5 million in Magneti Marelli Motherson Auto System Limited, a company which became a joint venture subsequently. It is engaged in providing automotive lighting products, integrated plastic air intake manifold assembly, pedal brake accelerator module and parking brake level assembly etc. At the balance sheet date, the Company held 100% capital since remittance from joint venturer was received subsequent to that date.

vi. During the year, the Group has invested Rs 4.0 million in Fritzmeier Motherson Cabin Engineering Ltd. , a new joint venture company.

vii. During the year, the Company has invested Rs. 9.8 million in Spheros Motherson Thermal Systems Limited, an existing joint venture company.

viii. During the year, Samvardhana Motherson Finance Services Cyprus Limited, a 100% subsidiary of the Company made investment of USD 1.5 million in Samvardhana Motherson Finance Services Inc, a new subsidiary, USA, USD 1.3 million in Fritzmeier Motherson Cabin Engineering Ltd, USD 1.2 Million in Nissin Advance Coating Indo Co. Ltd, both new joint ventures and USD 0.2 million in Motherson Zanotti Refrigeration Systems Limited, a new subsidiary.

ix. During the year, the Company paid Rs. 10.0 million against share application money pending allotment in Motherson Auto Solutions Limited, a company which became a subsidiary in 2009-10.

x. During the year, the Company invested Rs. 68.6 Million in Anest Iwata Motherson Limited, an existing joint venture company.

xi. The management of MSSL, based on the review of future business plans has estimated the value in use/ recoverable value lower than the carrying value of the certain assets that were carried as Capital Work in Progress and consequently recognised an impairment loss to the extent of the entire carrying value of such assets amounting to Rs. 28.8 millions (Previous year Rs. Nil) (Proportionate share of SMFL Rs. 6.2 millions).

xii. Further, MSSL Tooling Limited (FZE) ("MTL"), a 100% subsidiary of MSSL, had acquired certain assets of a company under administrator with an intention to continue supply to the existing customers. However, MSSL has not been able to utilise the entire block of assets. Hence, the management of MSSL, based on the review of future business plans for the next three years has estimated the value in use lower than the carrying value of the asset and consequently recognised an impairment loss of Rs. 16.4 millions (Previous year in 2006-07: Rs. 14.5 million) (Proportionate share of SMFL in 2007-08: Rs. 3.5 million, 2006-07: Rs. 3.1 million), included in depreciation charged for the year. Consequently, the fixed assets of MTL have been carried at recoverable values being the value in use. The management has used the discount rate of 6% being the incremental borrowing costs for the Company.

xiii. Webasto Motherson Sunroof Ltd, a joint venture of the Company, has accumulated losses aggregating to Rs. 41.5 million as at March 31, 2007 and has been sold off on April 4, 2011 for an aggregate consideration of Rs. 28.4 million. During the year ended March 31, 2008, the Company has recognised provision for impairment of goodwill on consolidation for an amount aggregating to Rs. 25.1 million which has been charged to Profit and Loss Account during the year ended March 31, 2008.

xiv. MMED, a joint venture of the Company, has accumulated losses aggregating to Rs. 8.4 millions as at March 31, 2008. During the year ended March 31, 2008, the Company has recognised provision for impairment of goodwill on consolidation for an amount aggregating to Rs. 4.2 million which has been charged to Profit and Loss Account during the year ended March 31, 2008.

There is no significant change in the financial position of the Group at the balance sheet date or in the results for the year ended March 31, 2008 as a result of addition of the new subsidiaries during the year.

f. **During the year ended March 31, 2007**

The Company has made following investments during the year:

i. Rs. 0.5 Millions in Motherson Machinery and Automations Private Limited, a subsidiary.
ii. Rs 18.5 Millions in Nachi Motherson Tool Technology Limited, a subsidiary.
iii. Rs 0.5 Millions in Motherson Automation Technology Limited, a subsidiary.
iv. Rs 0.5 Millions in Motherson Molds and Die Casting Limited, a subsidiary.
v. Rs 1.6 Millions in AES (India) Engineering Design Limited, a joint venture company.
vi. Rs 26.5 Millions in Motherson Consultancy Private Limited.
vii. Rs 9.8 Millions in Spheros Motherson Thermal System Limited, a joint venture company.
viii. Rs 10 Millions in Matsui Technologies India Limited, a joint venture company.
ix. Rs 4.9 Millions in Anest Iwata Motherson Coating Equipments Limited, a joint venture company.

8. The Company has been formed to act as a Group holding company to hold/make investments in group companies in India and Overseas. In 2005-06, the Company had approached the Reserve Bank of India (RBI) for registration as a Non-Banking Finance Company pursuant to which the RBI stated that the requirement of registration does not apply to the Company. However, during the previous year 2009-10, the Company received a communication from RBI, requiring the Company to apply for registration to which the Company responded stating that exemption was never sought but RBI had concluded earlier that the provisions were not applicable to the Company. Since then there has not been any communication from RBI on the matter. Thereafter, in accordance with the Guidelines issued by RBI for Core Investment Companies ('CICs') issued during the year, the Company has duly made the necessary application to RBI for registration as CIC on May 09, 2011 and the same is under consideration of RBI.

9. Zero Coupon Foreign Currency Convertible Bonds issued by Joint Venture Company:

During the year ended March 31, 2006, MSSL, a joint venture of the Company, issued Euro 50,300,000 Zero Coupon Convertible Bonds due 2010 (the "Bonds"). These bonds were listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The bonds were convertible at the option of the holder at any time on or after August 24, 2005 (or such earlier date as was notified to the holders of the bonds by the Company) upto July 6, 2010 into fully paid equity shares with full voting rights at par value of Re. 1.00 each of the Issuer ("Shares") at an initial Conversion Price (as defined in the "Terms & Conditions of the bonds") of Rs. 74.3 per share with a fixed rate of exchange on conversion of Rs. 52.01 = Euro 1.00. The Conversion Price was subject to adjustment in certain circumstances.

The Bonds also otherwise could be redeemed, in whole or in part, at the option of the Issuer, at any time on or after July 15, 2008 and prior to July 7, 2010 subject to satisfaction of certain conditions and at their "Early Redemption Amount" (as defined in the "Terms & Conditions of the Bonds") at the date fixed for such redemption if the "Closing Price" (as defined in the "Terms & Conditions of the bonds") of the Shares translated into Euro at the "prevailing rate" (as defined in the "Terms & Conditions of the

bonds") for each of 20 consecutive "Trading Days" (as defined in the "Terms & Conditions of the bonds") the last of which occurs not more than five days prior to the date upon which notice of such redemption is published, is greater than 130 per cent, of the "Conversion Price" (as defined in the "Terms & Conditions of the Bonds") then in effect translated into Euro at the rate of Rs. 52.01 = Euro 1.00.

The Bonds also could be redeemed, in whole, but not in part, at any time at the option of the Issuer at their Early Redemption Amount, if less than 10 per cent, in aggregate, principal amount of the Bonds originally issued was outstanding.
The Bonds also could be redeemed in whole, but not in part, at the option of the Issuer subject to satisfaction of certain conditions including obtaining Reserve Bank of India ("RBI") approval, at their Early Redemption Amount, on the date fixed for redemption in the event of certain changes relating to taxation in India.

Unless previously redeemed, converted or purchased and cancelled, the Bonds were to be redeemed by the Issuer in Euros on July 16, 2010 at 126.77 per cent of its principal amount.

The Issuer had to, at the option of any holder of any Bonds, repurchase at the Early Redemption Amount such bonds at such time as the shares ceased to be listed or admitted to trading on the BSE and the NSE (as defined in the "Terms & Conditions of the bonds") in respect of the Issuer.

Consequent to the exercise of conversion option by holders of Bonds of face value Euro 18.5 million in 2010-11 (2009-10: Euro 27.2 million, 2007-08: Euro 4.6 million), MSSL has allotted 12,950,000 equity shares during 2010-11 (2009-10: 19,040,000, 2007-08: 3,220,000). Accordingly, an amount of Rs. 1,285.3 million (2009-10: Rs. 1,989.3 million, 2007-08: Rs. 291.1 million) (Proportionate share of SMFL in 2010-11: Rs. 467.1, 2009-10: Rs. 746.1 million, 2007-08: Rs. 62.0 million), being the excess of the liabilities (including amortized premium/ issue expenditure on such Bonds up to the date of conversion) extinguished in respect of such Bonds over the face value of shares issued, has been credited to securities premium account. Consequent to the said allotment, Bonds were fully converted as at June 30, 2010.

10. Assets Held for Sale

During the year 2009-2010, pursuant to the closure of Hattorf plant of one of the subsidiaries of SMR, factory land and building, machinery and technical equipment and office equipment have been reclassified as asset held for sale. The carrying value of the net assets so classified aggregates to Rs.157.4 Million (2009: Nil). During the year 2010-11, these land and buildings has been disposed off for Rs. 180.7 million (proportionate share of SMFL Rs. 154.2 million) and a gain of Rs. 70.6 million (proportionate share of SMFL Rs. 60.3 million) recognised. In respect of machinery amounting to Rs. 39.7 million (proportionate share of SMFL Rs. 33.0 million), the Group has written off the net realisable value.

11. Samvardhana Employees Welfare Trust

The Company has resolved, pursuant to resolution passed in the meeting of the Board of Directors of the Company held on May 17, 2006 to establish a trust namely "Samvardhana Employees Welfare Trust" ("Trust") for welfare of the employees of the Company and its affiliate companies and for the purposes of establishing, instituting, administrating, managing, implementing and all other matters incidental to the employee stock option plans and/or any other Share Issue Scheme, by whatever name called, introduced or offered by the Company from time to time. The Trust buys and sells shares of the Company from/to employees of group companies and others at a valuation obtained by the Company.

The Company contributed a sum of Rs. 0.5 Millions towards initial corpus fund of the said Trust. The amount has been charged off to Profit & Loss Account for the year 2006-07. Details of shares issued to the Trust are included in note 12 below.

12. The Company, during the nine months' interim period ended December 31, 2011, has allotted 5,200,000 million Equity shares of Rs. 10/- each fully paid up to the Trust at a premium of Rs.42.1 per share.

During 2010-11, the Company has allotted 53,539,843 equity shares of Rs. 10/- each fully paid up to the conversion of the 124,882,670 fully convertible preference shares at a premium of Rs. 13.33/- each.

During 2009-10, the Company allotted following shares:

a) 2,850,000 Equity Shares of Rs. 10/- each fully paid up at a premium of Rs. 11/- each to Samvardhana Employee Welfare Trust.

b) 18,480,515; 17,523,691; 25,135,966 and 3,832,146 Equity Shares of Rs. 10/ -each fully paid up at a premium of Rs. 13.30/- each to Vivek Chaand Sehgal, Laksh Vaaman Sehgal, Renu Sehgal and Vidhi Sehgal, respectively.

c) 124,882,670, 0% Fully Compulsory Convertible Preference Shares of Rs. 10/- each fully paid up at a premium of Rs. 6.50/- each to Sojitz Corporation.

During 2008-09 the Company allotted 15,090,100; 21,712,400 and 10,068,600 Equity Shares of Rs. 10/- fully paid up each at a premium of Rs. 13.30/- each to Laksh Vaaman Sehgal, Renu Sehgal and Vivek Chaand Sehgal respectively.

During 2007-08, the Company allotted 292,130,594 Equity Shares of Rs. 10/- each fully paid up to the Shareholders of Motherson Consultancy Private Limited on account of amalgamation.

During 2006-07, the Company allotted 6,000,000 Equity Shares of Rs. 10/- each fully paid up to the Samvardhana Employee Welfare Trust and also cancelled 1,400,000 Equity Shares of Rs. 10/- each held by Motherson Consultancy Private Limited on account of merger.

13. Deferred Tax

a) The breakup of net deferred tax liability is as under:

Currency: Indian Rupees in Millions

	As at December 31, 2011	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Expenses charged in the financial statements but allowable as deductions in future years under the Income Tax Act (to the extent considered realisable)	(500.6)	(362.6)	(238.9)	(116.8)	(42.0)	(15.0)
Difference between depreciation as per financial statement and depreciation as per Income Tax Return	835.0	243.2	197.0	234.1	49.4	33.5
Net Deferred Tax Liabilities / (Assets) as at period/ year end	**334.4**	**(119.4)**	**(41.9)**	**117.3**	**7.4**	**18.5**
Restatement Adjustments	**(0.1)**	**(0.3)**	**1.7**	**0.7**	**0.5**	**0.6**
(Credit)/ Charge for the year	**26.1**	**(65.1)**	**(145.4)**	**(10.9)**	**(11.7)**	**(0.2)**

14. The Group has recognized the following provisions for Warranty, Onerous Contracts and Other Provisions:

Warranty

Currency: Indian Rupees in Millions

	As at December 31, 2011	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Opening Balance	**300.6**	**269.5**	**300.6**	**3.0**	**4.8**	-
Additions on account of new acquisition/change in shareholding	100.9	(4.1)	9.2	167.0	(0.0)	4.4
Additions during the year	265.3	245.0	267.2	129.2	0.2	0.6
Utilised / Reversed during the year	(237.6)	(221.2)	(322.6)	(9.5)	(2.0)	(0.2)
Exchange translation adjustment	34.4	11.4	15.1	10.9	-	-
Closing Balance	**463.6**	**300.6**	**269.5**	**300.6**	**3.0**	**4.8**

A provision is recognised for expected warranty claims on products sold during the last year, based on past experience of the level of repairs and returns. It is expected that most of these costs will be incurred in the next financial year. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about returns based on the warranty period for all products sold.

Onerous contracts

Currency: Indian Rupees in Millions

	As at December 31, 2011	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Opening Balance	**54.1**	**86.1**	**105.5**	**-**	**-**	**-**
Additions on account of new acquisition/change in shareholding	37.7	(1.2)	4.1	102.0	-	-
Additions during the year	4.3	-	-	-	-	-
Utilised / Reversed during the year	(37.7)	(32.7)	(13.6)	-	-	-
Exchange translation adjustment	4.8	1.9	(9.9)	3.5	-	-
Closing Balance	**63.2**	**54.1**	**86.1**	**105.5**	**-**	**-**

The provision for onerous contracts comprises expected losses from customer contracts for the next one year. Thereafter, the Group expects to turn these customer contracts profitable by cost reductions and renegotiations with the customers.

Other provisions

Currency: Indian Rupees in Millions

	As at December 31, 2011	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Opening Balance	**193.1**	**525.5**	**652.8**	**4.9**	**6.8**	-
Additions on account of acquisition/change in shareholding	32.2	(7.6)	24.8	692.1	0.0	5.8
Additions during the year	3.6	25.7	611.1	48.5	4.9	1.0
Utilised / Reversed during the year	(188.3)	(355.7)	(729.2)	(111.7)	(6.8)	-
Exchange translation adjustment	8.2	5.2	(34.0)	19.0	-	-
Closing Balance	**48.8**	**193.1**	**525.5**	**652.8**	**4.9**	**6.8**

Other provisions mainly comprises of the following:

a) Provision for obligation concerning transfer of losses due to a profit and loss transfer agreement of former fully consolidated subsidiary of Visiocorp Plc. (in administration), Visiocorp Deutschland GmbH (formerly Schefenacker Mirrors GmbH) sold prior to the acquisition by the Group Rs. Nil (March 2011: Nil), (2010:Rs. 207.9 Million),(2009: 386.2 Million).

b) Provision for Potential tax threats of the erstwhile "Lighting" Division of Visiocorp Plc. (in administration) that the Group had taken over consequent to the acquisition of subsidiaries of Visiocorp Plc. (in administration)Nil (March 31, 2011: Rs. 186.5 million), (2010: Rs. 131.3 million), (2009: 146.3 Million).

c) Provision for claim for infringement of patents/ breach of contracts Rs. Nil (March 2011: Nil), (2010 Rs. 194.4 million), (2009: Nil).

d) Provisions related to contingency (including those for 2006-07 & 2007-08) in response to probable obligation against the sales tax cases under dispute for erstwhile Sumi Motherson Innovative Engineering Ltd. Outflow in all these cases, both timing and certainty would depend on the development/outcomes in these cases Rs. Nil. (March 2011: Nil), (2010 Rs. 194.4 million), (2009: Nil).

e) Labour provision: Amount of the provision related to claims involving (i) overtime payment and/or salary parity payment and (ii) tenure / damages caused by labour related diseases and labour accidents of Peguform do Brasil Ltda., currently named SMP Automotive Produtos Automotivos do Brasil Ltda Rs. 27.9 Million as at December 31, 2011.

f) Civil provision: Amount of the provision relates to case involving "Techno Recycling". Collection claim, referring to an agreement to provide grinding and recycling services.The Plaintiff aims a compensation award from Peguform do Brasil Ltda. resulting from alleged "hardship" on the execution

of the agreement of Peguform do Brasil Ltda., currently named SMP Automotive Produtos Automotivos do Brasil Ltda Rs. 8.8 Million as at December 31, 2011.

g) Accrual for litigation for Claim asserted by SOGO S.p.A., one of the suppliers due to an alleged breach of a certain long term supply agreement of SMR Automotive Mirror Technology Hungary Bt Rs. 11.7 milion as at December 31, 2011.

15. Disclosures required as per Accounting Standard 19- "Accounting for Leases"

Finance Leases:

Assets acquired on finance lease and hire purchase contract comprise property and plant & machinery. These leases generally have terms of renewal but no purchase option and escalation clauses. Renewals are at the option of the lessee. Future minimum lease payment under finance leases and hire purchase contracts are as follows:

Currency: Indian Rupees in millions

	As at December 31, 2011	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Payable not later than one year	609.0	28.8	33.7	48.6	0.0	0.2
Payable later than 1 year and not later than 5 years	1,060.7	84.5	84.0	116.6	0.0	-
payable later than 5 years	232.8	-	25.2	95.6	-	-
Total	**1,902.5**	**113.3**	**142.9**	**260.8**	**0.0**	**0.2**
Less: Future finance charges	304.1	16.7	24.0	94.3	-	0.0
Present value in respect of above	**1,598.4**	**96.6**	**118.9**	**166.5**	**0.0**	**0.2**

Operating Leases:

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:

Currency: Indian Rupees in millions

Operating Lease	As at December 31, 2011	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Minimum Lease Payments						
Payable not later than 1 year	805.1	263.6	59.2	191.7	-	-
Payable later than 1 year and not later than 5 years	2,343.0	498.6	165.9	193.3	-	-
Payable later than 5 years	389.8	309.2	53.8	157.5	-	-

Lease Rental Expenses in respect of operating lease recognized in the profit and loss account are as follows:-

Financial Year	**Amount (Indian Rupees in millions)**
Period Ended Dec 31, 2011	Rs. 633.9
2010-2011:	Rs. 603.5
2009-2010:	Rs. 555.3
2008-2009:	Rs. 133.3
2007-2008:	Rs. 56.3
2006-2007:	Rs. 8.6

16. Related Party Disclosures under Accounting Standard 18- "Related Party Disclosure"

Related party disclosures, as required by Accounting Standard 18, "Related Party Disclosure", are given below:

December 31, 2011	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
i. Relationship where control exists	**ii. Relationship where control exists**	**iii. Relationship where control exists**	**iv. Relationship where control exists**	**v. Relationship where control exists**	**vi. Relationship where control exists**
ii. Joint Ventures and their subsidiaries	**iii. Joint Ventures and their subsidiaries**	**Joint Ventures and their subsidiaries**	**a) Joint Ventures and their subsidiaries**:	**a) Joint Ventures and their subsidiaries:**	**a) Joint Ventures and their subsidiaries**
-Motherson Sumi Systems Ltd	-Motherson Sumi Systems Ltd	-Motherson Sumi Systems Ltd	Motherson Sumi Systems Ltd	Motherson Sumi Systems Ltd.	Motherson Sumi Systems Ltd.
-MSSL Mauritius Holding Limited	-MSSL Mauritius Holding Limited	-MSSL Mauritius Holding Limited	MSSL Mauritius Holding Limited	MSSL Mauritius Holding Limited	MSSL Mauritius Holding Limited
-MSSL Mideast(FZE)	-MSSL Mideast FZE	-MSSL Mideast FZE	MSSL Mideast FZE	MSSL Mideast FZE	MSSL Mideast FZE
-MSSL Ireland Pvt Limited	-MSSL Ireland Pvt Limited	-MSSL Ireland Pvt Limited	MSSL Ireland Pvt Limited	MSSL Ireland Pvt Limited	MSSL Ireland Pvt Limited
-MSSL Handels Gmbh	-MSSL Handels Gmbh	-MSSL Handels Gmbh	MSSL Handels Gmbh	MSSL Handels Gmbh	MSSL Handels Gmbh
-Motherson Electrical Wire Lanka (P) Ltd.	-Motherson Electrical Wire Lanka (P) Ltd.	-Motherson Electrical Wire Lanka (P) Ltd.	Motherson Electrical Wire Lanka (P) Ltd.	Motherson Electrical Wire Lanka (P) Ltd.	Motherson Electrical Wire Lanka (P) Ltd.
-MSSL Tooling Ltd. (FZE)	-MSSL Tooling Ltd. (FZE)	-MSSL Tooling Ltd. (FZE)	MSSL Tooling Ltd. (FZE)	MSSL Tooling Ltd. (FZE)	MSSL Tooling Ltd. (FZE)
-MSSL (S) Pte Ltd.	-MSSL (S) Pte Ltd.	- Motherson Tradings Limited (formerly Motherson PUDENZ WICKMANN Limited)	Motherson Tradings Limited (formerly Motherson PUDENZ WICKMANN Limited)	Motherson Tradings Limited (formerly Motherson PUDENZ WICKMANN Limited)	Motherson Tradings Limited (formerly Motherson PUDENZ WICKMANN Limited)
-MSSL GmbH	-MSSL GmbH	-MSSL (S) Pte Ltd.	MSSL (S) Pte Ltd.	MSSL (S) Pte Ltd.	MSSL (S) Pte Ltd.
-MSSL Polymers GmbH (Formerly G&S Kunststofftechnik GmbH)	-MSSL Polymers GmbH (Formerly G&S Kunststofftechnik GmbH)	-MSSL GmbH	MSSL GmbH	MSSL GmbH	MSSL GmbH
Samvardhana Motherson Invest Deutschland Gmbh (formerly Mothersonsumi Reiner GmbH	Samvardhana Motherson Invest Deutschland Gmbh (formerly Mothersonsumi Reiner GmbH)	-MSSL Polymers GmbH (Formerly G&S Kunststofftechnik GmbH)	MSSL Polymers GmbH (Formerly G&S Kunststofftechnik GmbH)	MSSL Polymers GmbH (formerly G&S Kunststofftechnik GmbH)	MSSL Polymers GmbH (formerly G&S Kunststofftechnik GmbH)
- MSSL (GB) Limited	(held by MSSL GmbH	- Mothersonsumi Reiner GmbH	Mothersonsumi Reiner GmbH	Mothersonsumi Reiner GmbH	Mothersonsumi Reiner GmbH
-Global Environment Management (FZC)	- MSSL (GB) Limited	- MSSL (GB) Limited	MSSL (GB) Limited	MSSL (GB) Limited	MSSL (GB) Limited
-Global Environment Management Australia Pty. Limited	-Global Environment Management (FZC)	-Global Environment Management (FZC)	Global Environment Management (FZC)	Global Environment Management (FZC)	Global Environment Management (FZC)
-Motherson Sumi Wiring Systems Ltd. (FZE)	-Global Environment Management Australia Pty. Limited	-Global Environment Management Australia Pty. Limited	Global Environment Management Australia Pty. Limited	Global Environment Management (Australia)	Global Environment Management (Austalia)
-MSSL Australia Pty Ltd	-Motherson Sumi Wiring Systems Ltd. (FZC)	-Motherson Sumi Wiring Systems Ltd. (FZC)	Motherson Sumi Wiring Systems Ltd. (FZC)	Motherson Sumi Wiring Systems Ltd. (FZC)	Motherson Sumi Wiring Systems Ltd. (FZC)
-MSSL Advanced Polymers s.r.o. (Formerly FG Formagrau)	-MSSL Australia Pty Ltd	-MSSL Australia Pty Ltd	MSSL Australia Pty Ltd	MSSL Australia Pty Ltd	MSSL Australia Pty Ltd
-Motherson Elastomers Pty Ltd.	-MSSL Advanced Polymers s.r.o. (Formerly FG Formagrau)	-MSSL Advanced Polymers s.r.o. (Formerly FG Formagrau)	MSSL Advanced Polymers s.r.o. (Formerly FG Formagrau)	MSSL Advanced Polymers s.r.o. (formerly FG Formagrau s.r.o.)	MSSL Advanced Polymers s.r.o. (formerly FG Formagrau s.r.o.)
-Motherson Investments Pty Ltd.	-Motherson Elastomers Pty Ltd.	-Motherson Elastomers Pty Ltd.	Motherson Elastomers Pty Ltd.	Motherson Elastomers Pty Ltd.	Motherson Elastomers Pty Ltd.
-MSSL Global RSA Module Engineering Limited	-Motherson Investments Pty Ltd.	-Motherson Investments Pty Ltd.	Motherson Investments Pty Ltd.	Motherson Investments Pty Ltd.	Motherson Investments Pty Ltd
-Motherson Orca precision Technologies GmbH	-MSSL Global RSA Module Engineering Limited	-MSSL Global RSA Module Engineering Limited -Motherson Orca precision technologies GmbH	Motherson Orca precision technologies GmbH	Anest Iwata Motherson Coating Equipment Ltd.	Anest Iwata Motherson Coating Equipment Ltd.
-MSSL s.r.l. Unipersonale	-Motherson Orca precision technologies GmbH	-MSSL s.r.l. Unipersonale	-MSSL s.r.l. Unipersonale MSSL Global Wiring Limited	Sumi Motherson Innovative Engineering Ltd.	Sumi Motherson Innovative Engineering Ltd.
- MSSL Japan Limited	-MSSL Global Wiring Limited	-MSSL Global Wiring Limited	Anest Iwata Motherson Coating Equipment Ltd	Anest Iwata Motherson Ltd.	Anest Iwata Motherson Ltd.
-Anest Iwata Motherson Coating Equipment Ltd	-MSSL s.r.l. Unipersonale	-Anest Iwata Motherson Coating Equipment Ltd	Sumi Motherson Innovative Engineering Ltd	Motherson Techno Tools Ltd.	Motherson Techno Tools Ltd.
- Sumi Motherson Innovative Engineering Ltd (upto March 31, 2011)	-India Nails Manufacturing Limited (formerly India Nails Manufacturing Private Limited	-Sumi Motherson Innovative Engineering Ltd	Anest Iwata Motherson Ltd	Webasto Motherson Sunroofs Ltd.	Webasto Motherson Sunroofs Ltd.
-Anest Iwata Motherson Ltd	MSSL Japan Limited	-Anest Iwata Motherson Ltd	Motherson Techno Tools Ltd	Motoman Motherson Robotics Ltd.	Motoman Motherson Robotics Ltd.
- Motherson Techno Tools Ltd	-Anest Iwata Motherson Coating Equipment Ltd	-Motherson Techno Tools Ltd	Motherson Techno Tools Mideast (FZE)	AES (India) Engineering Ltd.	AES (India) Engineering Ltd.
-MSSL Automobiles Components Limited	- Sumi Motherson Innovative Engineering Ltd	-Motherson Techno Tools Mideast (FZE)	Webasto Motherson Sunroofs Ltd.	Miyazu Motherson Engineering Design Ltd.	Miyazu Motherson Engineering Design Ltd.
-Webasto Motherson Sunroofs Ltd. (upto April 3, 2011)	-Anest Iwata Motherson Ltd	-Webasto Motherson Sunroofs Ltd.	Motoman Motherson Robotics Ltd	Spheros Motherson Thermal System Ltd.	Spheros Motherson Thermal System Ltd.
	- Motherson Techno Tools Ltd	-Motoman Motherson Robotics Ltd	AES (India) Engineering Ltd	Matsui Technologies India Ltd.	Matsui Technologies India Ltd.
-AES (India) Engineering Ltd	-Webasto Motherson Sunroofs Ltd.	-AES (India) Engineering Ltd	Miyazu Motherson Engineering Design Ltd.	Fritzmeier Motherson Cabin Engineering Ltd.	Motherson Techno Tools Mideast (FZE)
-Spheros Motherson Thermal System Ltd.	-Motoman Motherson Robotics Ltd	-Miyazu Motherson Engineering Design Ltd.	Spheros Motherson Thermal System Ltd.	Magneti Marelli Motherson Holding India B.V.	
- Matsui Technologies India Ltd.	-AES (India) Engineering Ltd	-Spheros Motherson Thermal System Ltd.	Matsui Technologies India Ltd.	Air Factory Energy Ltd	
	-Spheros Motherson Thermal System Ltd.	-Matsui Technologies India Ltd.	Fritzmeier Motherson Cabin Engineering Ltd.	Motherson Techno Tools Mideast Ltd. (FZE)	
	- Matsui Technologies India Ltd.	-Fritzmeier Motherson Cabin Engineering Ltd.	Nissin Advanced Coating Indo Co. Limited	Nissin Advanced Coating Indo Co. Ltd	
		-Nissin Advanced Coating Indo Co.			

December 31, 2011	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
i. Relationship where control exists	ii. Relationship where control exists	iii. Relationship where control exists	iv. Relationship where control exists	v. Relationship where control exists	vi. Relationship where control exists
-Fritzmeier Motherson Cabin Engineering Ltd. - Magneti Marelli Motherson India Holding B.V. - Magneti Marelli Motherson Auto System Ltd. -Air Factory Energy Ltd. - Motherson Techno Tools Mideast (FZE) -Nissin Advanced Coating Indo Co. Limited -CTM India Ltd. -Nachi Motherson Precision Limited -Samvardhana Motherson Global Holdings Ltd. (SMGHL) -Samvardhana Motherson Reflectec Group Holdings Limited -SMR Automotive Holding Hong Kong Limited -SMR Automotive Technology Holding Cyprus Ltd. -SMR Automotive Mirror Systems Holding Deutschland GmbH - SMR Automotive Mirrors Stuttgart GmbH (Including SMR Automotive Parts GmbH and SMR Automotive Services Gmbh which merged in the Company w.e.f 7th Dec 2011) * -SMR Poong Jeong Automotive Mirrors Korea Ltd. -SMR Hyosang Automotive Ltd. -SMR Holding Australia Pty Limited -SMR Automotive Australia Pty Limited -SMR Automotive Taree Pty Limited -SMR Automotive Mirror Technology Hungary Bt -SMR Grundbesitz GmbH & Co. KG -SMR Automotive Mirror Parts and Holdings UK Ltd. -SMR Automotive Services Portchester Limited SMR Automotive Mirrors UK Limited -SMR Automotive Technology Valencia SAU -SMR Automotive Mirror Services UK Ltd. -SMR Automotive Technology Holdings USA Partners -SMR Automotive Mirror International USA Inc. -SMR Automotive Systems USA Inc.	-Fritzmeier Motherson Cabin Engineering Ltd. - Magneti Marelli Motherson India Holding B.V. - Magneti Marelli Motherson Auto System Ltd. -Air Factory Energy Ltd. - Motherson Techno Tools Mideast (FZE) -Nissin Advanced Coating Indo Co. Limited -CTM India Ltd. -Nachi Motherson Precision Limited -Motherson Auto Engineering Services Limited (Upto November 30, 2010) -Samvardhana Motherson Global Holdings Ltd. (SMGHL) -Samvardhana Motherson Reflectec Group Holdings Limited -SMR Automotive Holding Hong Kong Limited -SMR Automotive Technology Holding Cyprus Ltd. -SMR Automotive Mirror Systems Holding Deutschland GmbH -SMR Automotive Parts GmbH -SMR Poong Jeong Automotive Mirrors Korea Ltd. -SMR Hyosang Automotive Ltd. -SMR Holding Australia Pty Limited -SMR Automotive Australia Pty Limited -SMR Automotive Taree Pty Limited -SMR Automotive Mirror Technology Hungary Bt -SMR Grundbesitz GmbH & Co. KG -SMR Automotive Services GmbH -SMR Automotive Mirror Parts and Holdings UK Ltd. -Portchester Limited -SMR Automotive Mirrors UK Limited -SMR Automotive Technology Valencia SAU -SMR Automotive Mirror Services UK Ltd. -SMR Automotive Technology Holdings USA Partners -SMR Automotive Mirror International USA Inc. -SMR Automotive Systems USA Inc. -SMR Automotive Systems France S. A. -SMR Automotive Systems India Limited -SMR Automotive Yancheng Co. Limited -SMR Automotive Beijing Company Limited -SMR Automotive Mirror Technology	Limited -CTM India Ltd. -Magneti Marelli Motherson Auto System Ltd. -Magneti Marelli Motherson Holding India B.V. -Air Factory Energy Ltd. -Samvardhana Motherson Global Holdings Ltd. (SMGHL) -Samvardhana Motherson Reflectec Group Holding Limited -SMR Automotive Holding Hong Kong Limited -SMR Automotive Technology Holding Cyprus Ltd. -SMR Automotive Mirror Systems Holding Deutschland GmbH -SMR Automotive Parts GmbH -SMR Poong Jeong Automotive Mirrors Korea Ltd -SMR Hyosang Automotive Ltd -SMR Holding Australia Pty Ltd -SMR Automotive Australia Pty Limited -SMR Automotive Taree Pty Limited -SMR Automotive Mirror Technology Hungary BT -SMR Grundbesitz GmbH & Co. KG -SMR Automotive Services GmbH -SMR Automotive Mirror Parts and Holdings UK Limited -Portchester Ltd -SMR Automotive UK Limited -Visiocorp Automotive Valencia S.A.U. -SMR Automotive Mirror Services UK Ltd -SMR Automotive Technology Holdings USA Partners -SMR Automotive Mirror International USA Inc. -SMR Automotive Systems USA Inc. -SMR Automotive Systems France S.A. -SMR Automotive Systems India Limited -SMR Automotive Yancheng Co. Limited -SMR Automotive Beijing Company Limited -SMR Automotive Mirror Technology Holding Hungary KFT -SMR Automotive Systems SpainS.A.U. -SMR Automotive Vision Systems Mexico S.A de C.V -SMR Automotive Servicios Mexico S.A de C.V -SMR Automotive Mirrors Stuttgart GmbH -SMR Automotive Patents S.à.r.l. -SMR Automotive Beteiligungen Deutschland GmbH	Magneti Marelli Motherson Auto System Ltd. Magneti Marelli Motherson Holding India B.V. Air Factory Energy Ltd. Samvardhana Motherson Global Holdings Ltd. (SMGHL) Samvardhana Motherson Reflectec Group Holding Limited (Formerly Samvardhana Motherson Visiocorp Solutions Limited) SMR Automotive Holding Hong Kong Limited SMR Automotive Technology Holding Cyprus Ltd. SMR Automotive Mirror Systems Holding Deutschland GmbH SMR Automotive Parts GmbH SMR Poong Jeong Automotive Mirrors Korea Ltd SMR Hyosang Automotive Ltd SMR Holding Australia Pty Ltd SMR Automotive Australia Pty Limited SMR Automotive Taree Pty Limited SMR Automotive Mirror Technology Hungary BT SMR Grundbesitz GmbH & Co. KG SMR Automotive Services GmbH SMR Automotive Mirror Parts and Holdings UK Limited Portchester Ltd SMR Automotive UK Limited Visiocorp Automotive Valencia S.A.U. SMR Automotive Mirror Services UK Ltd SMR Automotive Technology Holdings USA Partners SMR Automotive Mirror International USA Inc. SMR Automotive Systems USA Inc. SMR Automotive Systems France S.A. SMR Automotive Systems India Limited SMR Automotive Yancheng Co. Limited SMR Automotive Beijing Company Limited SMR Automotive Mirror Technology Holding Hungary KFT SMR Automotive Systems SpainS.A.U. SMR Automotive Vision Systems Mexico S.A de C.V SMR Automotive Servicios Mexico S.A de C.V SMR Automotive Mirrors Stuttgart GmbH SMR Automotive Patents S.à.r.l. SMR Automotive Beteiligungen Deutschland GmbH		

December 31, 2011	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
i. Relationship where control exists	ii. Relationship where control exists	iii. Relationship where control exists	iv. Relationship where control exists	v. Relationship where control exists	vi. Relationship where control exists
-SMR Automotive Systems France S. A. -SMR Automotive Systems India Limited -SMR Automotive Yancheng Co. Limited -SMR Automotive Beijing Company Limited -SMR Automotive Mirror Technology Holding Hungary Kft -SMR Automotive Systems Spain S.A.U. -SMR Automotive Vision Systems Mexico S.A. de C.V. -SMR Automotive Servicios Mexico S.A. de C.V. -SMR Patents S.aR.L. -SMR Automotive Beteiligungen Deutschland GmbH -SMR Automotive System (Thailand) Ltd. -SMR Automotive Brasil Ltda. SMR Automotive Systems Macedonia DOOEL skopje -Samvardhana Motherson Polymers Limited -Samvardhana Motherson B.V. (NL) -Forgu GmbH - SMP Deutschland GmbH(Formerly known as Peguform GmbH) (Boetzingen, DE) -SMP Automotive Solutions Personalleasings GmbH (Formerly known as Peguform Personaleasing GmbH) (Boetzingen, DE)) -Peguform Slovakia s.r.o (Galanta, SK) -Chanchun Peguform Automotive Plastics Technology Co. Ltd (Changchun, CN) - SMP Automotive Technology Management Services (Chanchun) Co. Ltd.". (Formerly known as Peguform Corporate Management Services) (Changchun) Co., Ltd. (Changchun, CN) -Peguform Iberica S.L. (Polinya / Barcelona, ES) -Peguform Module Division Iberica Cockpits s.l. (Martorell, ES) - SMP Automotive Technologies Teruel, Sociedad Limitada (Formerly known as Peguform de Teruel S.L. (Fuentes Claras, ES) (% held by Peguform Iberica S.L.) -Peguform Portugal S.A. (Lisbon,	Holding Hungary Kft -SMR Automotive Systems Spain S.A.U. -SMR Automotive Vision Systems Mexico S.A. de C.V. -SMR Automotive Servicios Mexico S.A. de C.V. -SMR Automotive Mirrors Stuttgart GmbH -SMR Patents S.aR.L. -SMR Automotive Beteiligungen Deutschland GmbH -SMR Automotive System (Thailand) Ltd. -SMR Automotive Brasil Ltda.				

December 31, 2011	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
i. Relationship where control exists	**ii. Relationship where control exists**	**iii. Relationship where control exists**	**iv. Relationship where control exists**	**v. Relationship where control exists**	**vi. Relationship where control exists**
PT) -Peguform Mexico S.A.de C.V. (Puebla, MX) - SMP Tecnologia Parachoques S.A. de C.V. (Formerly known as Fabrica de Parachoques de Mexico S.A. de C.V.) (Puebla; MX) - SMP Shock Absorber Fabrication Mexico S.A. de C.V.(Formerly known as Shock Absorb de Mexico S.A de C.V) (Puebla, MX) - SMP Produtos Automotivos do Brasil Ltda.(Formerly known as Peguform do Brasil Ltda.)(Sao Jose dos Pinhais, BR) -Vacuform 2000 (Pty(Limited					
b) Associates: -Motherson Air Travel Agencies Ltd.	**b) Associates:** -Motherson Air Travel Agencies Ltd. -ASI Motherson Communication Solutions Limited (Upto March 25,2011)	**b) Associates:** -Motherson Air Travel Agencies Ltd. -ASI Motherson Communication Solutions Limited	**b) Associates:** -Motherson Air Travel Agencies Ltd. -ASI Motherson Communication Solutions Limited	**b) Associates:** -Motherson Air Travel Agencies Ltd. -ASI Motherson Communication Solutions Limited	**b) Associates:** -Motherson Air Travel Agencies Ltd. -ASI Motherson Communication Solutions Limited
c) Joint Venturers: -Sumitomo Wiring Systems Ltd. , Japan -Anest Iwata Corporation, Japan -Yaskawa Electric Corporation, Japan -Miyazu Seisakusho Co. Ltd., Japan -Sojitz Corporation, Japan -Matsui Manufacturing Company Ltd., Japan -AES Global PTE Ltd., Singapore - Sumitomo Electric Industries Ltd. (formerly Sumitomo Electric Hardmetal Corp., Japan) -Webasto AG, Germany (upto April 3, 2011) -Spheros Gmbh, Germany -F Holding GmbH, Austria -Nissin Electric Co. Ltd., Japan -Magneti Marelli Holding S.p.A, Italy -Zanotti S.p.A, Italy -Atar Mauritius Private Ltd. -Nachi-Fujikoshi Corporation, Japan -Bergstorm Inc., USA	**d) Joint Venturers:** -Sumitomo Wiring Systems Ltd. , Japan -Anest Iwata Corporation, Japan -Yaskawa Electric Corporation, Japan -Miyazu Seisakusho Co. Ltd., Japan -Sojitz Corporation, Japan -Matsui Manufacturing Company Ltd., Japan -AES Global PTE Ltd., Singapore - Sumitomo Electric Industries Ltd. (formerly Sumitomo Electric Hardmetal Corp., Japan) -Webasto AG, Germany -Spheros Gmbh, Germany -F Holding GmbH, Austria -Nissin Electric Co. Ltd., Japan -Magneti Marelli Holding S.p.A, Italy -Zanotti S.p.A, Italy -Atar Mauritius Private Ltd. -Nachi-Fujikoshi Corporation, Japan -Bergstorm Inc., USA	**d) Joint Venturers:** -Sumitomo Wiring Systems Ltd. -Anest Iwata Corporation -Yaskawa Electric Corporation -Miyazu Seisakusho Co. Ltd. -Sojitz Corporation -Matsui Manufacturing Company Ltd. -AES Global PTE Ltd. -Sumitomo Electric Hardmetal Corp. -Webasto AG, Germany -Spheros Gmbh, Germany -F Holding GmbH, Austria -Nissin Electric Co. Ltd., Japan -Magneti Marelli Holding S.p.A, Italy -Zanotti S.p.A, Italy -Atar Mauritius Private Ltd.	**c) Joint Venturers:** Sumitomo Wiring Systems Ltd Anest Iwata Corporation Yaskawa Electric Corporation Miyazu Seisakusho Co. Ltd. Sojitz Corporation Matsui Manufacturing Company Ltd. AES Global PTE Ltd. Sumitomo Electric Hardmetal Corp. Webasto AG, Germany Spheros Gmbh, Germany F Holding GmbH, Austria Nissin Electric Co. Ltd., Japan Magneti Marelli Holding S.p.A, Italy Zanotti S.p.A, Italy Nachi Fujkoshi Corp.	**c) Joint Venturers:** Sumitomo Wiring Systems Ltd. Anest Iwata Corporation Yaskawa Electric Corporation Miyazu Seisakusho Co. Ltd. Sojitz Corporation Matsui Manufacturing Company Ltd. AES Global PTE Ltd. Sumitomo Electric Hardmetal Corp. Webasto AG, Germany Spheros Gmbh, Germany F Holding GmbH, Austria Nissin Electric Co. Ltd., Japan Magneti Marelli Holding S.p.A, Italy Zanotti S.p.A, Italy Nachi Fujkoshi Corp. .	**d) Joint Venturers:** Sumitomo Wiring Systems Ltd. Anest Iwata Corporation Yaskawa Electric Corporation Miyazu Seisakusho Co. Ltd. Sojitz Corporation Matsui Manufacturing Company Ltd. AES Global PTE Ltd. Sumitomo Electric Hardmetal Corp. Webasto AG, Germany Spheros Gmbh, Germany
e)Key Management Personnel: **(i) Board of Directors** -Mr. Vivek Chaand Sehgal *	**e)Key Management Personnel:** **(iv) Board of Directors** -Mr. Vivek Chaand Sehgal *	**e) Key Management Personnel:** **(i)Board of Directors** -Mr. Vivek Chaand Sehgal *	**d) Key Management Personnel:** (i) **Board of Directors** -Mr. Vivek Chaand Sehgal *	**d) Key Management Personnel:** **(i) Board of Directors** -Mr. Vivek Chaand Sehgal *	**e)Key Management Personnel:** **(i) Board of Directors** -Mr. Vivek Chaand Sehgal *

December 31, 2011	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
i. Relationship where control exists	**ii. Relationship where control exists**	**iii. Relationship where control exists**	**iv. Relationship where control exists**	**v. Relationship where control exists**	**vi. Relationship where control exists**
-Mr. Laksh Vaaman Sehgal * -Mrs. Renu Sehgal * *(Till September 14, 2011) -Mr. Ashok Tandon (Till September 14, 2011) -Mr. Chandra Shekhar Panda (Till September 28, 2011) -Mr. Bimal Dhar (Till September 14, 2011) -Mr. Hiroto Murai -Mr. Hiroshi Morimoto -Mr. Sushil Chandra Tripathi (w.e.f September 14, 2011) -Mr. Satya Pal Talwar (w.e.f September 14, 2011	-Mr. Laksh Vaaman Sehgal * -Mrs. Renu Sehgal * -Mr. Ashok Tandon -Mr. Chandra Shekhar Panda -Mr. Bimal Dhar -Mr. Hiroto Murai -Mr. Hiroshi Morimoto	-Mr. Laksh Vaaman Sehgal * -Mrs. Renu Sehgal * -Mr. Ashok Tandon -Mr. Chandra Shekhar Panda -Mr. Bimal Dhar -Mr. Hiroto Murai (w.e.f. 30/09/2010) -Mr. Hiroshi Morimoto (w.e.f. 30/09/2010)	-Mr. Laksh Vaaman Sehgal * -Mrs. Renu Sehgal* (w.e.f. 01/09/2008) -Mr. Ashok Tandon -Mr. Chandra Shekhar Panda (w.e.f. 01/09/2008) -Mr. Bimal Dhar (w.e.f. 01/09/2008)	-Mr. Laksh Vaaman Sehgal * -Mr. Ashok Tandon	-Mr. Laksh Vaaman Sehgal * -Mr. Ashok Tandon -Mr. G. N. Gauba (till 28/03/2007)
(ii) Other Key Management Personnel -Mr. Himanshu Bindal, Manager (Till September 14, 2011) - Mr. Ashok Tandon (Manager and Chief Financial Officer) (w.e.f September 15, 2011)	**(v) Other Key Management Personnel** -Mr. Manoj Maheshwari, Manager (up to December 31, 2010) -Mr. Himanshu Bindal, Manager (w.e.f January 1, 2011)	**(ii)Other Key Management Personnel** -Mr. Manoj Maheshwari, Manager	**(ii)Other Key Management Personnel:** - Mr. Manoj Maheshwari, Manager	**(ii) Other Key Management Personnel** Mr. Manoj Maheshwari, Manager	
(iii) Relatives of Key Management Personnel - Ms. Neelu Mehra (sister of Mr. Vivek Chaand Sehgal) -Ms. Geeta Soni (sister of Mr. Vivek Chaand Sehgal) -Ms. Vidhi Sehgal (daughter of Mr. Vivek Chaand Sehgal and Mrs. Renu Sehgal)	**(vi) Relatives of Key Management Personnel** - Ms. Neelu Mehra (sister of Mr. Vivek Chaand Sehgal) -Ms. Geeta Soni (sister of Mr. Vivek Chaand Sehgal) -Ms. Vidhi Sehgal (daughter of Mr. Vivek Chaand Sehgal and Mrs. Renu Sehgal)	**(iii)Relatives of Key Management Personnel:** -Ms. Neelu Mehra (sister of Mr. Vivek Chaand Sehgal) -Ms. Geeta Soni (sister of Mr. Vivek Chaand Sehgal) -Ms. Vidhi Sehgal (daughter of Mr. Vivek Chaand Sehgal and Mrs. Renu Sehgal)	(iii) **Relatives of Key Management Personnel** -Ms. Neelu Mehra -Ms. Geeta Soni -Ms. Vidhi Sehgal	**(iii) Relatives of Key Management Personnel:** -Ms. Renu Sehgal* (wife of Mr. Vivek Chaand Sehgal) -Ms. Neelu Mehra (sister of Mr. Vivek Chaand Sehgal) -Ms. Geeta Soni (sister of Mr. Vivek Chaand Sehgal) -Ms. Vidhi Sehgal (daughter of Mr. Vivek Chaand Sehgal)	**(ii)Relatives of Key Management Personnel:** -Mrs. Renu Sehgal *(wife of Mr. Vivek Chaand Sehgal) -Ms. Neelu Mehra (sister of Mr. Vivek Chaand Sehgal) -Ms. Geeta Soni (sister of Mr. Vivek Chaand Sehgal) -Ms. Vidhi Sehgal (daughter of Mr. Vivek Chaand Sehgal)
(iv)Companies in which key managerial persons or their relatives have control/ significant influence: - Motherson Auto Limited -Ganpati Auto Industries (Partnership Firm) -Southcity Motors Ltd. -Motherson (Partnership Firm) -Vaaman Auto Industry (Partnership Firm) -A Basic Concepts Design India Pvt Ltd. -Motherson Engineering Research and Integrated Technologies Limited -Motherson Innovative Technologies And Research -Moon Meadows Pvt. Ltd. -Sisbro Motor and workshop Pvt. Ltd. -Field Motor Private Limited	**(iv)Companies in which key managerial persons or their relatives have control/ significant influence:** - Motherson Auto Limited -Ganpati Auto Industries (Partnership Firm) -Southcity Motors Ltd. -Motherson (Partnership Firm) -Vaaman Auto Industry (Partnership Firm) -A Basic Concepts Design India Pvt Ltd. -Motherson Engineering Research and Integrated Technologies Limited -Motherson Innovative Technologies And Research -Moon Meadows Pvt. Ltd. -Sisbro Motor and workshop Pvt. Ltd. -Field Motor Private Limited -Spirited Auto Cars (I) Limited -Style Motors Limited	**(iv)Companies in which key managerial persons or their relatives have control/ significant influence:** -Motherson Elastomers Pty. Ltd. -Motherson Tradings Ltd. (formerly Motherson Pudenz Wickmann Ltd) -Motherson Auto Ltd. -Ganpati Auto Industries -Southcity Motors Ltd. -Spirited Auto Cars (I) Ltd. -MothersonVaaman Auto Industries -A Basic Concepts Design India Pvt Ltd. -Motherson Engineering Research and Integrated Technologies Ltd. -Motherson Innovative Technologies And Research -Moon Meadows Pvt. Ltd. -Sisbro Motor and Workshop Pvt. Ltd. -Motherson Auto Solutions Ltd. -Field Motor Private Ltd. Samvardhana Employees Welfare Trust -Systematic Conscom Limited	**(iv)Companies in which key managerial persons or their relatives have control/ significant influence:** -Motherson Auto Limited -Ganpati Auto Industries -South City Motors Ltd. -Motherson Vaaman Auto Industries -A Basic Concepts Design India Pvt Ltd. -Motherson Engineering Research and Integrated Technologies Limited -Moon Meadows Pvt. Ltd. -Sis Bro Motor and Workshop Pvt. Ltd. -Motherson Auto Solutions Ltd.(formerly -Motherson Auto Solutions Pvt. Ltd) -Field Motor Private Limited -Samvardhana Employees Welfare Trust -Systematic Conscom Limited -MothersonSumi INfotech & Designs Limited -JSRR Holdings (M) Pvt. Limited.	**(iv) Companies in which Key Managerial Personnel or their relatives have control/significant influence:** Motherson Auto Ltd. Ganpati Auto Industries SouthCity Motors Ltd. Motherson Vaaman Auto Industries A Basic Concepts Design India Pvt Ltd. Motherson Engineering Research and Integrated Technologies Ltd. Moon Meadows Pvt. Ltd. Sisbro Motor and Workshop Pvt. Ltd. Motherson Auto Solutions Ltd.(formerly Motherson Auto Solutions Pvt. Ltd) Field Motor Private Ltd. Samvardhana Employees Welfare Trust Magneti Marelli Motherson Auto System Limited -Systematic Conscom Limited -MothersonSumi INfotech & Designs Limited	**(iii) Companies in which Key Managerial Personnel or their relatives have control/significant influence:** Motherson Auto Ltd. Ganpati Auto Industries SouthCity Motors Ltd. Spirited Auto Cars (I) Ltd. Motherson Vaaman Auto Industries A Basic Concepts Design India Pvt Ltd. Motherson Engineering Research and Integrated Technologies Ltd. Motherson Innovative Technologies And Research Moon Meadows Pvt. Ltd. Sisbro Motor and Workshop Pvt. Ltd. Motherson Auto Solutions Ltd.(formerly Motherson Auto Solutions Pvt. Ltd) Field Motor Private Ltd. Samvardhana Employees Welfare

December 31, 2011	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
i. Relationship where control exists	**ii. Relationship where control exists**	**iii. Relationship where control exists**	**iv. Relationship where control exists**	**v. Relationship where control exists**	**vi. Relationship where control exists**
-Spirited Auto Cars (I) Limited -Style Motors Limited -Systematic Conscom Limited -MAS Middle East Ltd. (FZE) -Samvardhana Employees Welfare Trust -Radha Rani Holdings Pte Limited -JSRR Holdings (M) Pvt. Limited.	-Systematic Conscom Limited -MAS Middle East Ltd. (FZE) -Samvardhana Employees Welfare Trust -JSRR Holdings (M) Pvt. Limited.	-JSRR Holdings (M) Pvt. Limited.		-JSRR Holdings (M) Pvt. Limited.	Trust -Systematic Conscom Limited -MothersonSumi INfotech & Designs Limited

*Person exercising significant influence on the Company.

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

Currency: Indian Rupees in Millions

S. No.	Particulars	Joint Ventures	Associates	Entities in which Key Management personnel have significant control/ influence	Joint Venturers	Key Management Personnel	Relatives of Key Management Personnel	Total
1	**Sale of Goods**							
	-Period Ended on December 31, 2011	180.3	0.4	9.9	-	-	-	190.6
	- Year Ended on March 31, 2011	176.5	2.7	9.1	5.6	-	-	193.9
	-2010	38.3	0.8	-	-	-	-	39.1
	-2009	1.4	-	-	-	-	-	1.4
	-2008	1.1	-	-	-	-	-	1.1
	-2007	0.1	-	-	-	-	-	0.1
2	**Rendering of Services**							
	-Period Ended on December 31, 2011	414.2	1.3	5.7	0.1			421.3
	- Year Ended on March 31, 2011	478.8	0.5	7.6	0.2	-	-	487.1
	-2010	191.3	-	1.9	11.9	-	-	205.1
	-2009	76.9	0.5	2.2	-	-	-	79.6
	-2008	74.8	-	0.7	-	-	-	75.5
	-2007	11.1	-	0.7	-	-	-	11.8
3	**Sale of Fixed Assets**							
	-Period Ended on December 31, 2011	0.1	-	-	-	-	-	0.1
	- Year Ended on March 31, 2011	1.2	-	-	-	-	-	1.2
	-2010	0.1	-	0.5	-	-	-	0.6
	-2009	-	-	-	-	-	-	-
	-2008	-	-	-	-	-	-	-
	-2007	-	-	-	-	-	-	-
4	**Purchase of Goods**							
	-Period Ended on December 31, 2011	6.3	-	3.3	75.9	-	-	85.5
	- Year Ended on March 31, 2011	14.4	-	23.8	74.6	-	-	112.8
	-2010	7.7	-	45.2	9.1	-	-	62.0
	-2009	20.5	-	-	2.0	-	-	22.5
	-2008	22.2	-	-	17.0	-	-	39.2
	-2007	3.6	-	-	-	-	-	3.6
5	**Purchase of Fixed Assets/Capital Advance**							
	-Period Ended on December 31, 2011	1.2	-	314.1	4.0	-	-	319.3
	- Year Ended on March 31, 2011	25.7	-	4.1	-	-	-	29.8
	-2010	-	-	-	-	-	-	-
	-2009	0.3	-	5.4	6.8	-	-	12.5
	-2008	-	-	-	-	-	-	-
	-2007	0.5	-	-	-	-	-	0.5
6	**Purchase of Services**							
	-Period Ended on December 31, 2011	15.5	33.9	47.6	0.8	-	-	97.8
	- Year Ended on March 31, 2011	15.2	41.1	67.3	-	-	-	123.6
	-2010	7.8	11.7	12.2	-	-	-	31.7
	-2009	13.5	3.1	7.5	-	-	-	24.1
	-2008	5.7	2.6	3.5	-	-	-	11.8
	-2007	1.1	-	0.1	-	-	-	1.2

S. No.	Particulars	Joint Ventures	Associates	Entities in which Key Management personnel have significant control/ influence	Joint Venturers	Key Management Personnel	Relatives of Key Management Personnel	Total
7	**Reimbursement of Expenses (Net)**							
	-Period Ended on December 31, 2011	24.3	(0.4)	(3.5)	-	-	-	20.4
	- Year Ended on March 31, 2011	12.8	0.5	17.5	2.6	-	-	33.4
	-2010	9.0	-	5.0	-	-	-	14.0
	-2009	3.2	-	9.9	1.2	-	-	14.3
	-2008	2.3	-	15.4	-	-	-	17.7
	-2007	2.2	-	-	-	-	-	2.2
8	**Issue of shares by subsidiaries**							
	-Period Ended on December 31, 2011	-	-	-	-	-	-	-
	- Year Ended on March 31, 2011	-	-	-	-	-	-	-
	-2010	-	-	-	204.0	-	-	204.0
	-2009	-	-	-	-	-	-	-
	-2008	-	-	-	-	-	-	-
	-2007	-	-	-	-	-	-	-
9	**Investment sold/Redemption**							
	-Period Ended on December 31, 2011	1.2	-	-	28.4	-	-	29.6
	- Year Ended on March 31, 2011	-	-	-	49.3	-	-	49.3
	-2010	-	-	-	-	-	-	-
	-2009	0.5	-	-	-	-	-	0.5
	-2008	-	-	-	-	-	-	-
	-2007	-	-	-	-	-	-	-
10	**Purchase of Shares**							
	-Period Ended on December 31, 2011	-	-	-	0.1	-	-	0.1
	- Year Ended on March 31, 2011	-	-	-	-	0.1	-	0.1
	-2010	-	-	-	-	0.5	-	0.5
	-2009	-	-	0.7	-	-	-	0.7
	-2008	-	-	0.5	-	-	0.2	0.7
	-2007	-	-	-	-	-	0.1	0.1
11	**Royalty Paid**							
	-Period Ended on December 31, 2011	-	-	-	9.2	-	-	9.2
	- Year Ended on March 31, 2011		-	-	2.2			2.2
	-2010	-	-	1.2	-	-	-	1.2
	-2009	-	-	-	-	-	-	-
	-2008	-	-	-	-	-	-	-
	-2007	-	-	-	-	-	-	-
12	**Remuneration/Sitting Fees of Key Managerial Personnel**							
	-Period Ended on December 31, 2011	-	-	-	-	2.7	-	2.7
	- Year Ended on March 31, 2011	-	-	-	-	2.4	-	2.4
	-2010	-	-	-	-	1.2	-	1.2
	-2009	-	-	-	-	-	-	-
	-2008	-	-	-	-	-	-	-
	-2007	-	-	-	-	-	-	-
13	**Interest Income**							

S. No.	Particulars	Joint Ventures	Associates	Entities in which Key Management personnel have significant control/ influence	Joint Venturers	Key Management Personnel	Relatives of Key Management Personnel	Total
	-Period Ended on December 31, 2011	4.5	1.2	7.7	-	-	-	13.4
	- Year Ended on March 31, 2011	4.0	0.7	-	-	-	-	4.7
	-2010	3.4	-	-	-	-	-	3.4
	-2009	0.9	-	-	-	-	-	0.9
	-2008	1.2	-	0.1	-	-	-	1.3
	-2007	0.1	-	-	-	-	-	0.1
14	**Interest Expense**							
	-Period Ended on December 31, 2011	0.5	-	1.4	0.1	-	-	2.0
	- Year Ended on March 31, 2011	1.4	-	2.3	0.3	-	-	4.0
	-2010	13.3	-	5.2	0.7	-	-	19.2
	-2009	4.6	-	1.4	-	-	-	6.0
	-2008	0.2	-	1.2	-	-	-	1.4
	-2007	-	-	-	-	-	-	-
15	**Dividend Paid**							
	-Period Ended on December 31, 2011	1.5	-	-	1.9	-	-	3.4
	- Year Ended on March 31, 2011	2.4	-	-	1.3			3.7
	-2010	0.9	-	-	-	-	-	0.9
	-2009	-	-	-	-	-	-	-
	-2008	-	-	-	-	-	-	-
	-2007	-	-	-	-	-	-	-
16	**Dividend Received**							
	-Period Ended on December 31, 2011	408.4	-	-	-	-	-	408.4
	- Year Ended on March 31, 2011	267.0	-	-	-	-	-	267.0
	-2010	200.6	-	-	-	-	-	200.6
	-2009	115.8	-	1.9	-	-	-	117.7
	-2008	78.6	-	-	-	-	-	78.6
	-2007	-	-	-	-	-	-	-
17	**Loans Received during the year**							
	-Period Ended on December 31, 2011	-	-	-	-	-	-	-
	- Year Ended on March 31, 2011	2.0	-	20.0	-	-	-	22.0
	-2010	157.0	-	10.0	-	-	-	167.0
	-2009	195.9	-	-	-	-	-	195.9
	-2008	4.0	-	21.9	-	-	-	25.9
	-2007	11.0	-	-	-	1.9	-	12.9
18	**Loans Given during the year**							
	-Period Ended on December 31, 2011	102.0	-	62.5	-	-	-	164.5
	- Year Ended on March 31, 2011	74.0	20.0	-	-	-	-	94.0
	-2010	91.0	-	-	-	-	-	91.0
	-2009	10.0	-	-	-	-	-	10.0
	-2008	25.0	-	25.0	-	-	-	50.0
	-2007	-	-	-	0.2	-	-	0.2
19	**Loans repaid during the year**							
	-Period Ended on December 31, 2011	10.5	-		8.3	-	-	18.8
	- Year Ended on	138.0	-	30.0	13.9	-	-	181.9

S. No.	Particulars	Joint Ventures	Associates	Entities in which Key Management personnel have significant control/ influence	Joint Venturers	Key Management Personnel	Relatives of Key Management Personnel	Total
	March 31, 2011							
	-2010	243.8	-	-	5.7	-	-	249.5
	-2009	0.4	-	-	-	-	-	0.4
	-2008	15.0	-	-	-	-	-	15.0
	-2007	-	-	-	0.2	1.9	-	2.1
20	**Loans Received back during the year**							
	-Period Ended on December 31, 2011	30.0	20.0	23.5	-	-	-	73.5
	- Year Ended on March 31, 2011	15.0	-	-	-	-	-	15.0
	-2010	25.0	-	-	-	-	-	25.0
	-2009	35.0	-	-	-	-	-	35.0
	-2008	5.0	-	20.0	-	-	-	25.0
	-2007	-	-	-	-	-	-	-
21	**Security Deposits Given**							
	-Period Ended on December 31, 2011	-	-	-	-	-	-	-
	- Year Ended on March 31, 2011	-	-	5.7	-	-	-	5.7
	-2010	-	-	-	-	-	-	-
	-2009	1.7	-	-	-	-	-	1.7
	-2008	-	-	-	-	-	-	-
	-2007	-	-	-	-	-	-	-
22	**Security Deposits Received**							
	-Period Ended on December 31, 2011	0.2	-	-	-	-	-	0.2
	- Year Ended on March 31, 2011	-	-	15.2	-	-	-	15.2
	-2010	0.6	-	-	-	-	-	0.6
	-2009	2.4	-	-	-	-	-	2.4
	-2008	-	-	-	-	-	-	-
	-2007	-	-	-	-	-	-	-
23	**Refund of share application money received**							
	-Period Ended on December 31, 2011	-	-	-	-	-	-	-
	- Year Ended on March 31, 2011	-	-	-	-	-	-	-
	-2010	-	-	-	189.4	-	-	189.4
	-2009	-	-	-	-	-	-	-
	-2008	-	-	-	-	-	-	-
	-2007	-	-	-	-	-	-	-
24	**Refund of share application money paid**			-	-			
	-Period Ended on December 31, 2011	-	-	-	-	-	-	-
	- Year Ended on March 31, 2011	-	-	-	-	-	-	-
	-2010	34.0	-	-	-	-	-	34.0
	-2009	-	-	-	-	-	-	-
	-2008	15.0	-	-	-	-	-	15.0
	-2007	-	-	-	-	-	-	-
25	**Shares Allotted**			-	-			
	-Period Ended on December 31, 2011	-	-	270.9	-	-	-	270.9

S. No.	Particulars	Joint Ventures	Associates	Entities in which Key Management personnel have significant control/ influence	Joint Venturers	Key Management Personnel	Relatives of Key Management Personnel	Total
	- Year Ended on March 31, 2011	-	-	-	1,268.4	-	-	1268.4
	-2010	-	-	59.9	2,060.6	1,424.6	89.3	3634.4
	-2009	-	-	-	-	1,092.1	-	1092.1
	-2008	-	-	-	-	1,609.4	634.8	2244.2
	-2007	-	-	60.0	-	-	-	60.0
26	**Loans/ Share Application money converted into Shares**			-	-			
	-Period Ended on December 31, 2011	40.0	-	-	-	-	-	40.0
	- Year Ended on March 31, 2011	90.0	-	-	-	-	-	90.0
	-2010	-	-	-	-	-	-	-
	-2009	-	-	-	-	-	-	-
	-2008	-	-	-	-	-	-	-
	-2007	-	-	-	-	-	-	-
27	**Share application money paid pending for allotment**							
	-Period Ended on December 31, 2011	-	-	-	-	-	-	-
	- Year Ended on March 31, 2011	-	-	-	-	-	-	-
	-2010	27.0	-	-	-	-	-	27.0
	-2009	-	-	2.5	-	-	-	2.5
	-2008	15.0	-	10.0	-	-	-	25.0
	-2007	-	-	-	-	-	-	-
Balances as at period/year end:								-
28	**Loans Payable**							
	-Period Ended on December 31, 2011	-	-	25.0	-	-	*	25.0
	- Year Ended on March 31, 2011	10.5	-	28.6	8.3	-	-	47.4
	-2010	144.4	-	37.5	22.2	-	-	204.1
	-2009	195.5	-	29.7	-	-	-	225.2
	-2008	-	-	21.9	-	-	-	21.9
	-2007	11.0	-	-	-	-	-	11.0
29	**Loans Receivable**							
	-Period Ended on December 31, 2011	67.0	-	39.0	-	-	-	106.0
	- Year Ended on March 31, 2011	35.0	20.0	-	-	-	-	55.0
	-2010	39.0	-	-	-	-	-	39.0
	-2009	-	-	-	-	-	-	-
	-2008	20.0	-	5.0	-	-	-	25.0
	-2007	-	-	11.0	-	-	-	11.0
30	**Advances Receivable**							
	-Period Ended on December 31, 2011	2.3	-	12.2	-	-	-	14.5
	- Year Ended on March 31, 2011	-	-	-	-	-	-	-
	-2010	0.1	-	-	-	-	-	0.1
	-2009	-	-	-	-	-	-	-
	-2008	-	-	-	-	-	-	-
	-2007	-	-	-	-	-	-	-
31	**Security Deposit Received Outstanding**							

S. No.	Particulars	Joint Ventures	Associates	Entities in which Key Management personnel have significant control/ influence	Joint Venturers	Key Management Personnel	Relatives of Key Management Personnel	Total
	-Period Ended on December 31, 2011							-
	- Year Ended on March 31, 2011	1.4	-	-	-	-	-	1.4
	-2010	-	-	-	-	-	-	-
	-2009	2.4	-	-	-	-	-	2.4
	-2008	-	-	-	-	-	-	-
	-2007	-	-	-	-	-	-	-
32	**Security Deposits Given Oitstanding**							
	-Period Ended on December 31, 2011	6.7	-	-	-	-	-	6.7
	- Year Ended on March 31, 2011	-	-	-	-	-	-	-
	-2010	1.4	0.2	0.1	-	-	-	1.7
	-2009	6.4	-	-	-	-	-	6.4
	-2008	-	-	-	-	-	-	-
	-2007	1.4	-	-	-	-	-	1.4
33	**Trade Payable**							
	-Period Ended on December 31, 2011	7.9	1.7	7.5	13.0	-	-	30.1
	- Year Ended on March 31, 2011	17.1	0.6	21.1	20.6	-	-	59.4
	-2010	4.3	0.5	1.1	1.0	-	-	6.9
	-2009	5.2	0.1	1.3	0.9	-	-	7.5
	-2008	5.7	0.1	1.1	5.4	-	-	12.3
	-2007	4.2	-	0.1	-	-	-	4.3
34	**Trade Receivable**							
	-Period Ended on December 31, 2011	190.0	0.1	6.9	0.0	-	-	197.0
	- Year Ended on March 31, 2011	142.8	-	2.7	0.1	-	-	145.6
	-2010	75.4	0.1	0.2	-	-	-	75.7
	-2009	24.7	0.5	0.1	-	-	-	25.3
	-2008	10.8	-	-	-	-	-	10.8
	-2007	7.2	-	-	-	-	-	7.2
35	**Interest Receivable**							
	-Period Ended on December 31, 2011	-	-	-	-	-	-	-
	- Year Ended on March 31, 2011	1.0	0.6	-	-	-	-	1.6
	-2010	2.9	-	-	-	-	-	2.9
	-2009	-	-	-	-	-	-	-
	-2008	-	-	0.1	-	-	-	0.1
	-2007	-	-	-	-	-	-	-
36	**Interest Payable**							
	-Period Ended on December 31, 2011	-	-	-	-	-	-	-
	- Year Ended on March 31, 2011	0.5	-	-	-	-	-	0.5
	-2010	2.0	-	-	-	-	-	2.0
	-2009	2.5	-	-	-	-	-	2.5
	-2008	-	-	-	-	-	-	-
	-2007	-	-	-	-	-	-	-
37	**Advance Received from customers**							
	-Period Ended on December 31, 2011	23.5	-	-	-	-	-	23.5
	- Year Ended on March 31, 2011	137.0	-	0.6	-	-	-	137.6

S. No.	Particulars	Joint Ventures	Associates	Entities in which Key Management personnel have significant control/ influence	Joint Venturers	Key Management Personnel	Relatives of Key Management Personnel	Total
	-2010	-	-	-	-	-	-	-
	-2009	-	-	-	-	-	-	-
	-2008	-	-	-	-	-	-	-
	-2007	-	-	-	-	-	-	-
38	**Balance of share application money paid pending for allotment**							
	-Period Ended on December 31, 2011	-	-	-	-	-	-	-
	- Year Ended on March 31, 2011	-	-		-			-
	-2010	27.0	-	-	-	-	-	27.0
	-2009	-	-	12.5	-	-	-	12.5
	-2008	-	-	10.0	-	-	-	10.0
	-2007	-	-	-	-	-	-	-
								-
39	**Share application money received pending for allotment**							
	-Period Ended on December 31, 2011	-	-	-	170.0	-	-	170.0
	- Year Ended on March 31, 2011	-	-	-	-	-	-	-
	-2010	-	-	-	-	-	-	-
	-2009	-	-	2,250.0	-	-	-	2250.0
	-2008	-	-	-	-	-	-	-
	-2007	-	-	-	-	1609.3	634.8	2244.1
								-
40.	**Capital Advances**							
	-Period Ended on December 31, 2011	**-**	**-**	**275.7**	**-**	**-**	**-**	275.7
	- Year Ended on March 31, 2011	**-**	**-**	**-**	**-**	**-**	**-**	-
	-2010	**-**	**-**	**-**	**-**	**-**	**-**	-
	-2009	**-**	**-**	**-**	**-**	**-**	**-**	-
	-2008	**-**	**-**	**-**	**-**	**-**	**-**	-
	-2007	**-**	**-**	**-**	**-**	**-**	**-**	-
								-
								-
41.	**Other Recoverable**							
	-Period Ended on December 31, 2011	**21.1**	**-**	**18.6**	**-**	**-**	**-**	39.7
	- Year Ended on March 31, 2011	**-**	**-**	**-**	**-**	**-**	**-**	-
	-2010	**-**	**-**	**-**	**-**	**-**	**-**	-
	-2009	**-**	**-**	**-**	**-**	**-**	**-**	-
	-2008	**-**	**-**	**-**	**-**	**-**	**-**	-
	-2007	**-**	**-**	**-**	**-**	**-**	**-**	-

II. Related parties with whom transactions, the amount of which is in excess of 10% of the total related party transactions of the same type in any one year:

Currency: Indian Rupees in Millions

S. No.	Particulars	Name of Related Party	Amount					
			Period Ended December 31, 2011	2010-11	2009-10	2008-09	2007-08	2006-07
1	Sale of Goods	Motherson Techno Tools Ltd	3.2	3.1	1.4	1.3	-	0.1
		Motherson Sumi Systems Ltd	98.5	86.3	9.3	-	0.3	-
		Motherson Techno Tools Mideast (FZE)	2.9	4.1	3.8	-	0.8	-
		SMR Automotive Mirrors Stuttgart GmbH	2.1	4.4	8.3	-	-	-
		MSSL Global Wiring Limited	0.3	2.2	4.6	-	-	-
2	Rendering of Services	Motherson Sumi Systems Ltd	245.0	265.2	140.3	75.3	74.8	11.1
3	Purchase of Goods	Motherson Sumi Systems Ltd	5.5	4.4	5.4	14.8	13.5	1.6
		Sumi Motherson Innovative Engineering Ltd	-	4.5	2.1	5.6	8.2	1.0
		Systematic Conscom Limited	3.3	23.8	-	-	-	-
		Motherson Techno Tools Ltd	0.2	0.6	0.0	-	0.4	1.1
		Nachi Fujkoshi Corp	75.8	70.3	45.2	-	15.7	-
		Zanotti S.p.A, Italy	-	4.2	9.1	2.0	1.3	-
4	Purchase of Fixed Assets/ Capital Advance	Nachi Fujkoshi Corp	-	-	-	-	-	-
		MothersonSumi Infotech & Designs Ltd	-	-	-	5.4	-	0.4
		CTM India Ltd.	-	24.8	-	6.8	-	-
		Systematic Conscom Limited	37.9	4.1	-	-	-	-
		Motherson Auto Limited	275.7	-	-	-	-	-
		Motherson Techno Tools Ltd	-	0.1	-	0.3	-	0.1
5	Purchase of Services	Motherson Sumi Systems Ltd	11.6	13.7	5.6	10.1	5.6	0.9
		MothersonSumi Infotech & Designs Ltd	-	-	-	1.1	0.5	0.1
		Systematic Conscom Limited	0.6	27.9	-	-	-	-
		Motherson Air Travel Agencies Ltd	33.9	41.1	11.7	3.1	2.6	0.0
		Motherson Auto Limited	45.9	37.7	12.2	6.3	3.0	0.1
6	Royalty	Nachi Fujikoshi corporation	1.7	2.2	1.2	-	-	-
		Sojitz Corporation, Japan	7.5	-	-	-	-	-
7	Reimbursement (Net)	Motherson Techno Tools Ltd	1.8	0.2	3.8	1.3	2.2	2.2
		Motherson Auto Limited	(16.7)	17.4	5.0	9.9	15.1	-
		Motherson Sumi Systems Ltd	2.5	1.8	1.6	0.3	-	-
		Magneti Marelli Motherson Auto System Ltd.	2.1	-	-	-	-	-
		Radha Rani Holdings Pte Ltd.	13.0	-	-	-	-	-
		Webasto Motherson Sunroofs Ltd.	0.9	2.2	1.8	-	-	-
		Spheros Motherson Thermal System Ltd.	4.9	-	1.6	1.2	-	-

S. No.	Particulars	Name of Related Party	Amount					
			Period Ended December 31, 2011	2010-11	2009-10	2008-09	2007-08	2006-07
		Forgu GmbH (DE)	15.7	-	-	-	-	-
8	Purchase of Shares / Investment Made	Mrs. Renu Sehgal	-	-	0.5	-	0.2	0.1
		Mothersonsumi INfotech & Designs Limited	-	-	-	0.7	-	-
		Magneti Marelli Motherson Auto System Ltd.	-	-	-	-	0.5	-
		Sojitz Corporation, Japan	0.1	-	-	-	-	-
9	Interest Income	Motherson Sumi Systems Ltd	2.7	2.2	0.0	0.9	1.2	0.1
		Motherson Air Travel Agencies Ltd	1.2	0.7	-	-	-	-
		Fritzmeier Motherson Cabin Engineering Ltd	-	0.5	-	-	-	-
		Systematic Conscom Limited	1.8	-	-	-	-	-
		Motherson Auto Limited	5.9	-	-	-	-	-
		Magneti Marelli Motherson Auto System Ltd.	1.1	1.2	3.2	0.0	0.1	-
10	Interest Expense	Motherson Techno Tools Ltd	0.3	1.0	1.8	-	0.2	-
		Systematic Conscom Limited	-	0.9	-	-	-	-
		Sumitomo Wiring Systems Limited	0.1	0.3	0.7	-	-	-
		Motherson Trading Limited (Formerly Motherson Pudenz Wickmann Limited)	-	-	3.8	2.1	-	-
		Spheros Motherson Thermal System Ltd	0.2	-	-	-	-	-
		Motherson Sumi Systems Ltd	-	0.2	-	-	-	-
		Sumi Motherson Innovative Engineering Ltd	-	0.2	11.5	2.4	-	-
		JSRR Holdings (M) Private Limited	1.4	1.4	1.4	1.4	1.2	
11	Investment sold/Redemption during the period/year	Yaskawa Electric Corporation, Japan	-	49.3	-	-	-	-
		Webasto AG, Germany	28.4	-	-	-	-	-
12	Loan taken	Motherson Techno Tools Ltd	-	2.0	60.8	18.9	4.0	11.0
		Samvardhana Motherson Global Holdings (Cyprus) Ltd.	-	-	31.2	-	-	-
		Systematic Conscom Limited	-	20.0	0.0	-	-	-
		Motherson Trading Limited (Formerly Motherson PUDENZ WICKMANN Limited)	-	-	-	49.5	-	-
		Sumi Motherson Innovative Engineering Ltd.	-	-	65.0	127.5	-	-
		Mrs. Renu Sehgal	-	-	-	-	-	1.9
		JSRR Holdings (M) Private Limited	-	-	-	-	21.9	-
13	Loans Given during the year	Mrs. Renu Sehgal	-	-	-	-	-	-
		Motherson Sumi Systems Ltd	29.5	29.0	6.0	10.0	20.0	-
		Fritzmeier Motherson Cabin	-	15.0	-	-	-	-

S. No.	Particulars	Name of Related Party	Amount					
			Period Ended December 31, 2011	2010-11	2009-10	2008-09	2007-08	2006-07
		Engineering Ltd						
		Samvardhana Employees Welfare Trust	20.0	-	-	-	-	-
		Spheros Motherson Thermal System Ltd.	-	-	20.0	-	5.0	-
		Systematic Conscom Limited	33.5					
		South City Motors Ltd.	-	-	-	-	20.0	-
		Motherson Air Travel Agencies Ltd	-	20.0	-	-	-	-
		Magneti Marelli Motherson Auto System Limited	60.0	30.0	60.0	-	5.0	-
		Motherson Auto Ltd	9.0	-	-	-	-	-
14	Loans Repaid during the year	Mrs. Renu Sehgal		-	-	-	-	1.9
		Motherson Techno Tools Ltd	8.0	2.0	71.3	0.4	15.0	-
		Motherson Sumi Systems Ltd	-	49.5	-	-	-	-
		Sumitomo Wiring Systems Ltd., Japan.	8.3	13.9	5.7	-	-	-
		Spheros Motherson Thermal System Ltd.	2.5	-	-	-	-	
		Systematic Conscom Limited	-	30.0	-	-	-	-
		Samvardhana Motherson Global Holdings (Cyprus) Ltd.	-	31.5	-	-	-	-
		Sumi Motherson Innovative Engineering Ltd	-	55.0	172.5	-	-	-
15	Loans Received back during the year	Fritzmeier Motherson Cabin Engineering Limited	-	15.0	-	-	-	-
		Spheros Motherson Thermal System Ltd.	-	-	20.0	-	5.0	-
		South City Motors Ltd.	-	-	-	-	20.0	-
		Nachi Motherson Precision Limited	10.0	-	-	-	-	-
		Motherson Air Travel Agencies Ltd	20.0	-	-	-	-	-
		Samvardhana Employees Welfare Trust	20.0	-	-	-	-	-
		Motherson Sumi Systems Ltd	20.0	-	-	30.0	-	-
		Matsui Technology India Limited	-	-	5.0	-	-	-
		Magneti Marelli Motherson Auto Systems Ltd.	-	-	-	5.0	-	-
		Systematic Conscom Limited	3.5	-	-	-	-	-
16	Dividend Received	Motherson Sumi Systems Ltd	393.8	246.5	190.1	102.9	76.2	-
17	Dividend Paid	Nachi Fujkoshi Corp	1.9	1.3	-	-	-	-
		Motherson Sumi Systems Ltd	1.5	2.4	0.9	-	-	-
18	Security Deposits Given Outstanding	Motherson Sumi Systems Ltd	6.7	-	1.4	6.1	-	1.4
		Motherson Auto Ltd	-	5.7	0.1	-	-	-
		Motherson Air Travel Agencies Ltd	-	-	0.2	-	-	-
19	Security Deposits Received	Motoman Motherson Robotics Ltd.	-	-	-	1.0	-	-
		Magneti Marelli Motherson	-	-	-	1.4	-	-

S. No.	Particulars	Name of Related Party	Amount					
			Period Ended December 31, 2011	2010-11	2009-10	2008-09	2007-08	2006-07
		Auto Systems Ltd						
		SMR Automotive Systems India Limited	0.1	-	-	-	-	-
		Motherson Auto Limited	-	15.2	-	-	-	-
		Motherson Sumi Systems Limited	0.1	-	0.6	-	-	-
20	Refund of share application money paid	Fritzmeier Motherson Cabin Engineering Ltd	-	-	-	-	15.0	-
		Motoman Motherson Robotics Ltd	-	-	34.0	-	-	-
				-	-	-	-	-
21	Refund of share application money received	Sojitz Corporation, Japan	-	-	189.4	-	-	-
22	Share application money paid	Motherson Auto Solutions Limited	-	-	-	2.5	10.0	-
		Fritzmeier Motherson Cabin Engineering Ltd	-	-	-	-	15.0	-
23	Sale of Fixed Assets	Motherson Sumi Systems Ltd	0.1	-	0.1	-	-	-
		Motherson Auto Limited	-	-	0.5	-	-	-
		Nachi Motherson Precision Limited	0.0	1.2	-	-	-	-
24	Issue of shares by subsidiaries	Sojitz Corporation, Japan	-	-	204.0	-	-	-
25	Issue of shares	Sojitz Corporation, Japan	-	1,248.8	2,060.6	-	-	-
		Samvardhana Motherson Finance Limited Trust	270.9	-	59.9	-	-	60.0
		Mr Vivek Chaand Sehgal *	-	-	430.6	234.6	885.5	-
		Mr. Laksh Vaaman Sehgal *	-	-	408.3	351.6	723.8	-
		Mrs. Renu Sehgal *	-	-	585.7	505.9	619.6	-
26	Loan/ Share application money converted into shares	Magneti Marelli Motherson Auto Systems Ltd	40.0	90.0	-	-	-	-
27	Remuneration/Sitting Fees of Directors and Key Management	Mr. Manoj Maheshwari	-	2.2	1.2	-	-	-
		Mr. Ashok Tandon	1.9	-	-	-	-	-
		Mr. Himanshu Bindal	0.6	-	-	-	-	-
	Balances Outstanding							
28	Security Deposits Received Outstanding	Motoman Motherson Robotics Ltd.	-	-	-	1.0	-	-
		Motherson Sumi Systems Ltd	-	1.4	-	-	-	-
		Magneti Marelli Motherson Auto Systems Ltd	-	-	-	1.4	-	-
29	Advance Received from customers	MSSL Tooling (FZE) (Held by MSSL Mideast (FZE)	-	137.0	-	-	-	-
		Motherson Sumi Systems Ltd.	22.0					

S. No.	Particulars	Name of Related Party	Amount					
			Period Ended December 31, 2011	2010-11	2009-10	2008-09	2007-08	2006-07
30	Balance of Share application money received pending allotment	Sojitz Corporation, Japan	170.0	-	-	2,250.0	-	-
		Mr Vivek Chaand Sehgal *	-	-	-	-	-	885.5
		Mr. Laksh Vaaman Sehgal *	-	-	-	-	-	723.8
		Mrs. Renu Sehgal *	-	-	-	-	-	619.6
31	Interest accrued but not due	Motherson Techno Tools Ltd.	-	-	-	0.1	-	-
32	Interest Receivable	Magneti Marelli Motherson Auto System Limited	-	1.0	2.9	-	0.1	-
		Motherson Air Travel Agencies Ltd	-	0.6	-	-	-	-
33	Interest Payable	Motherson Trading Limited (Formerly Motherson PUDENZ WICKMANN Limited)	-	-	1.4	-	-	-
		Motherson Techno Tools Ltd	-	0.5	-	0.1	-	-
		Sumi Motherson Innovative Engineering Ltd	-	-	0.6	2.4	-	-
34	Loans Receivable	Motherson Sumi Systems Ltd	44.5	35.0	6.0	-	20.0	-
		Motherson Auto Limited	9.0					
		Motherson Air Travel Agency Limited	-	20.0	-	-	-	-
		Samvardhana Motherson Finance Limited Trust	-	-	-	-	-	11.0
		Magneti Marelli Motherson Auto Systems Ltd.	20.0	-	33.0	-	5.0	-
		Systematic Conscom Limited	30.0	-	-	-	-	-
35	Loans Payable	Motherson Techno Tools Ltd	-	8.0	8.0	18.5	-	11.0
		Sumi Motherson Innovative Engineering Ltd	-	-	55.0	127.5	-	-
		Samvardhana Motherson Global Holdings (Cyprus) Ltd.	-	-	31.5	-	-	-
		Motherson Pudenz Wickmann Limited	-	-	49.5	49.5	-	-
		Systematic Conscom Limited	-	-	0.0	-	-	-
		Spheros Motherson Thermal System Ltd.	-	2.5	-	-	-	-
		Sumitomo Wiring Systems Limited	-	8.3	22.2	-	-	-
		JSRR Holdings (M) Private Limited	25.0	28.6	27.5	29.7	21.9	-
36	Trade Payable	Motherson Sumi Systems Ltd	1.3	0.0	2.3	0.8	1.5	1.1
		Motherson (Partnership Firm)	-	-	0.9	-	-	-
		Motherson Auto Limited	7.2	4.0	0.1	0.4	0.4	-
		Sumi Motherson Innovative Engineering Ltd	-	0.5	0.3	0.3	0.8	0.6
		CTM India Ltd	-	8.3	-	-	-	-
		Spheros Motherson Thermal System Ltd.	4.2	0.8	0.6	0.5	-	-
		Systematic Conscom Limited	0.4	17.0	-	-	-	-

S. No.	Particulars	Name of Related Party	Amount					
			Period Ended December 31, 2011	2010-11	2009-10	2008-09	2007-08	2006-07
		Motherson Techno Tools Ltd	0.2	0.1	0.5	2.9	3.4	2.4
		Zanotti S.p.A, Italy	3.9	2.8	1.0	0.3	-	-
		Nachi Fujkoshi Corp	8.9	17.4	-	0.6	5.4	-
		Motherson Sumi Infotech and design limited	-	-	-	0.9	0.8	-
37	Amount Recoverable	Forgu Gmbh (DE)	15.7	-	-	-	-	-
		Spheros Motherson Thermal Systems Limited	4.3	-	-	-	-	-
		Motherson Auto Limited	5.6	-	-	-	-	-
		Radha Rani Holdings Limited	13.0	-	-	-	-	-
38	Trade Receivable	Motherson Sumi Systems Ltd	55.5	40.1	41.9	20.4	10.5	7.2
		SMR Automotive Mirror Technology Hungary Bt	13.1	25.1	8.2	-	-	-
		SMR Automotive Services GmbH	49.9	12.5	4.4	-	-	-
		Magneti Marelli Motherson Auto System Ltd.	3.9	2.9	1.1	3.7	-	-
39	Advance Given to supplier	Motherson Sumi Systems Ltd	1.8	-	-	-	-	-
		Systematic Conscom Limited	12.2	-	-	-	-	-
40	Balance of Share Application Money Paid Pending Allotment	Magneti Marelli Motherson Auto System Ltd.	-	-	27.0	-	-	-
		Motherson Auto Solutions Limited	-	-	-	12.5	10.0	-
41	Capital Advances	Motherson Auto Limited	275.7	-	-	-	-	-

*In respect of 2007-08, this refers to shares allotted in 2007-08 pursuant to amalgamation of erstwhile Motherson Consultancy Private Limited w.e.f. 1st February 2007 (refer note 2 of Annexure V for details)

The Company has given letter of support to its subsidiaries Tigers Connect Travel Systems & Solutions Ltd., Samvardhana Motherson Finance Services Cyprus Ltd. and Motherson Zanotti Refrigeration System Ltd. to enable them to continue their operations.

The Company has also committed to provide debt funds to certain subsidiaries of Samvardhana Motherson Polymesr Limited, a joint venture company, in proportion of its shareholding of 49%, in case of shortfall by respective companies in meeting their debt obligation. The Company has further committed to bear the losses incurred by SMPL in proportion to its shareholding of 49% and finance costs in respect of loans guaranteed by the Company.

17. The long term defined employee benefits and contribution schemes of the Group are as under:

a) Defined Benefit Schemes

i. Gratuity/ Pension

The employees of Indian Companies are entitled to gratuity that is computed as half-month's salary, for every completed year of service and is payable on retirement/termination. Employees of certain overseas companies are entitled to pension on their retirement. The Company makes provision of such gratuity liability in the books of accounts on the basis of actuarial valuation. Certain companies in the

group contribute to Life Insurance Corporation of India or other insurance companies to fund their plans while certain overseas companies contribute to separately administrated funds.

ii. Leave Encashment / Compensated Absences

The employees are entitled for leave for each year of service and part thereof and subject to the limits specified, the unavailed 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:

(Currency: Indian Rupees in Millions)

	For the Period ended 31- Dec -11		For the Year ended 31-Mar-11		For the Year ended 31-Mar-10		For the Year ended 31-Mar-09		For the Year ended 31-Mar-08	
	Gratuity/ Pension	Leave encashment/ Compensated Absences	Gratuity/ Pension	Leave encashment/ Compensated Absences	Gratuity / Pension	Leave encashment/ Compensated Absences	Gratuity/ Pension	Leave encashment/ Compensated Absences	Gratuity / Pension	Leave encashment/ Compensated Absences
Obligations at year beginning	1,143.8	59.9	987.9	51.7	597.8	19.0	27.0	9.3	19.4	6.1
Obligations at year beginning consequent to acquisition/ change in shareholding	301.0	281.9	(13.7)	(0.2)	100.3	26.9	566.2	3.5		
Addition on transfer of employees*	5.2	5.3								
Service Cost – Current	65.0	17.4	146.7	13.3	90.6	8.5	12.0	4.6	2.9	2.6
Interest Cost	43.9	4.3	49.1	4.1	198.5	2.9	7.0	0.9	1.2	0.5
Actuarial (gain) / loss	80.1	(0.9)	27.7	2.3	151.7	0.2	5.8	3.2	4.9	2.4
Benefit Paid	(128.0)	(5.5)	(98.9)	(11.3)	(67.5)	(5.8)	(5.5)	(2.5)	(1.4)	(2.3)
Exchange translation adjustment	267.9	(3.0)	45.0	-	(83.5)	-	(14.7)	-		
Obligations at year end	**1,778.9**	**359.4**	**1,143.8**	**59.9**	**987.9**	**51.7**	**597.8**	**19.0**	**27.0**	**9.3**
Change in plan assets										
Plan assets at year beginning, at fair value	883.2	-	792.6	-	722.9	-	19	-	14.7	-
Plan Assets at year beginning consequent to acquisition/ change in shareholding	1.5	-	(9.4)		34.3	-	708.7	-	-	-
Expected return on plan assets	26.5	-	34.2	-	22.2	-	6.3	-	1.2	-
Actuarial gain / (loss)	9.2	-	7.0	-	19.0	-	0.3	-	0.2	-
Contributions	32.1	-	50.3	-	83.7	-	12.1	-	4.0	-
Benefits paid	(57.7)	-	(31.9)	-	(43.7)	-	(3.9)	-	(1.1)	-
Exchange translation adjustment	118.4	-	40.4	-	(45.8)	-	(19.6)	-		-
Plan assets at year end, at fair value	**1,013.2**	**-**	**883.2**	**-**	**792.6**	**-**	**722.9**	**-**	**19.0**	**-**
Reconciliation of present value of the obligation and the fair value of the plan assets:										
Present value of the defined benefit obligations at the end	1,778.9	359.4	1,143.8	59.9	987.9	51.7	597.8	19.0	27.0	9.3

	For the Period ended 31- Dec -11		For the Year ended 31-Mar-11		For the Year ended 31-Mar-10		For the Year ended 31-Mar-09		For the Year ended 31-Mar-08	
	Gratuity/ Pension	Leave encashment/ Compensated Absences	Gratuity/ Pension	Leave encashment/ Compensated Absences	Gratuity / Pension	Leave encashment/ Compensated Absences	Gratuity/ Pension	Leave encashment/ Compensated Absences	Gratuity / Pension	Leave encashment/ Compensated Absences
of the year										
Fair value of the plan assets at the end of the year	(1013.2)	-	(883.2)	-	(792.6)	-	(722.9)	-	(19.0)	-
Liability recognised in the Balance Sheet	**765.7**	**359.4**	**260.6**	**59.9**	**195.3**	**51.7**	**(125.1)**	**19.0**	**8.0**	**9.3**
Defined benefit obligations cost for the year										
Service Cost – Current	65.0	17.4	146.7	13.3	90.6	8.5	12.0	4.6	2.9	2.6
Interest Cost	43.9	4.3	49.1	4.1	198.5	2.9	7.0	0.9	1.2	0.5
Expected return on plan assets	(26.5)	-	(34.2)	-	(22.2)	-	(6.3)	-	(1.2)	-
Actuarial (gain) / loss	70.9	(0.9)	20.7	2.3	132.7	0.2	5.5	3.2	4.7	2.4
Net defined benefit obligations cost	**153.3**	**20.8**	**182.3**	**19.7**	**399.6**	**11.6**	**18.2**	**8.7**	**7.6**	**5.5**

* On account of transfer of employees to the Company from other Companies.

Note: Figures for year 2006-07 are not given as the Accounting Standard -15 "Employee Benefits (Revised)" was adopted by the Group from April 1, 2007.

Investment Details of Plan Assets

In respect of companies incorporated in India, 100% of the plan assets are lying in the Gratuity fund administered through Life Insurance Corporation of India (LIC) except in case of Motherson Sumi Infotech & Design Ltd., a subsidiary of the Company, where it was administered through ICICI Life Insurance Co. Ltd till year 2009-10 and thereafter with SBI Life Insurance Co. Ltd, under their group gratuity schemes. 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:

Currency: Indian Rupees in Millions

	For the period ended	For the Years ended March 31				
	Dec 31, 2011	2011	2010	2009	2008	2007
LIC	86.7	69.4	54.0	38.2	19.0	14.7
ICICI Prudential Life Insurance Co. Ltd	5.2	4.9	4.8	-	-	-
SBI Life Insurance Co. Ltd	0.2	1.5	-	-	-	-
Equities	110.4	112.8	98.0	76.4	-	-
Bonds and Gilts and others	802.2	694.6	623.5	604.9	-	-
Cash	8.5	-	12.3	3.4	-	-
Total	**1013.2**	**883.2**	**792.6**	**722.9**	**19.0**	**14.7**

The principal assumptions used in determining post-employment benefits obligations are shown below:

	December 31, 2011	2011		2010		2009		2008		2007	
	Indian	Indian	Indian	Foreign	Indian	Foreign	Indian	Foreign	Indian	Foreign	Indian	Foreign
Discount Rate	8% - 9%	1.89% - 9.3%	8% - 9%	5.1% - 10.0%	4.8% - 8.25%	4.7% - 10%	7.0% - 8.0%	4.7% - 17.0%	8%	-	-	-
Future salary increases	5%-8%	2.5% - 17%	5.5%-8%	5% - 14%	4.5% - 10%	5% - 14%	4.0% - 8.0%	5.0% - 15.0%	5.5%-10%	-	-	-

	December 31, 2011		2011		2010		2009		2008		2007	
	Indian	Indian	Indian	Foreign	Indian	Foreign	Indian	Foreign	Indian	Foreign	Indian	Foreign
Expected return on plan assets	2%-9.15%	0-6.9%	2%-9.25%	3.5% to 7%	8% - 9.25%	3%	8.0% - 9.25%	8.33%	8%-9%	-	-	-

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors 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, ESI and social insurance for the benefit of the employees. Accordingly, the group's contribution that has been charged to revenue amounts is as follows:

Period ended December 31, 2011 : Rs. 690.2 Millons
2010-11 : Rs. 748.3 Millions
2009-10 : Rs. 768.1 Millions
2008-09 : Rs. 144.1 Millions
2007-08 : Rs. 53.1 Millions

18. Interests in Joint ventures

The following amounts represent the group's share of the assets and liabilities as at respective balance sheet dates and revenues and expenses of joint ventures, being jointly controlled entities (Refer Note 5 above), for the period/ year ended on those dates and are included in the restated consolidated financial information:

Currency: Indian Rupees in Millions

Description	As at					
	December 31, 2011	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
Assets						
Fixed Assets	32,644.6	10,348.2	9,143.0	8,743.3	1,576.5	1,217.8
Capital Work in Progress	3,819.8	2,640.5	803.0	750.1	128.5	40.4
Investments	2,113.5	383.2	387.5	414.6	10.6	10.3
Current Assets	44,012.1	17,301.9	14,369.3	12,930.9	2,369.0	1,716.0
Liabilities						
Secured Loans	31,045.7	5,458.2	4,514.3	3,652.6	375.2	253.2
Unsecured Loans	3,886.3	1,550.2	745.3	1,215.6	779.9	751.6
Current Liabilities & Provisions	32,293.9	13,017.4	11,116.2	11,636.8	1,359.1	925.3
Deferred Tax (Net)	346.5	(107.9)	(40.2)	118.1	11.9	19.3
Reserves & Surplus	8,437.5	8,223.6	6,183.8	3,533.0	1,115.8	805.5
Revenue						
Sales	57,524.0	54,168.7	47,932.8	8,233.1	4,850.5	642.1
Other Income	508.5	776.3	2,053.0	944.8	142.4	13.9
Expenditure	58,217.3	51,870.8	48,397.3	8,314.2	4,458.4	592.3
Profit/ (Loss) before Tax	(184.8)	3,074.2	1,588.5	863.7	534.5	63.7
Provision for Tax	1,017.9	862.7	489.6	104.9	131.9	20.7
Share of Profit/ (Loss) in Associate	(9.1)	0.7	0.8	(0.7)	0.5	0.1
Profit/ (Loss) after Tax	(1,211.8)	2,212.2	1,099.7	758.1	403.1	43.1
Contingent Liabilities						
- In respect of Excise, Sales tax & Service tax matters	69.8	426.8	69.7	46.5	33.9	26.3
- Bank Guarantees	99.6	130.5	86.0	29.1	23.0	58.8
Capital Commitment	1,544.9	1,399.6	280.0	240.1	129.0	45.5

Corporate Guarantee given on behalf of joint ventures	7,767.8	676.5	951.2	1,012.2	-	-

The Company has also committed to provide debt funds to certain subsidiaries of SMPL, in proportion of its shareholding of 49%, in case of shortfall by respective companies in meeting their debt obligation. The Company has further committed to bear the losses incurred by SMPL in proportion to its shareholding of 49% and finance costs in respect of loans guaranteed by the Company.

19. Segment Information

Period ended December 31, 2011

SUMMARY OF PRIMARY SEGMENT INFORMATION

Currency: Indian Rupees in Millions

	Automotive	Non automotive	Unallocated	Total
Segment revenue				
External	57,328.9	2,237.8	533.2	60,099.9
Intersegment	98.7	-	-	98.7
Total revenue	57,427.6	2,237.8	533.2	60,198.6
Results				
Segment result	888.8	77.6	-	966.4
Interest expense (net of Interest income)			1290.6	1290.6
Other Unallocable (net of Income)			143.2	143.2
Profit of Associates			9.3	9.3
Profit / (Loss) before taxation			-	(458.1)
Provision for taxation			1,069.8	1,069.8
Net profit / (Loss) after tax				(1,527.9)
Concern share				(1,113.6)
Minority				(414.3)
Other items				
Segment assets	80,128.0	3,459.1	8,850.2	92,437.3
Segment liabilities	32,004.4	1,283.0	39,965.1	73,252.5
Capital expenditure	5,044.3	262.0	0.6	5,306.9
Depreciation	1,603.2	78.4	1.7	1,683.3

SUMMARY OF SECONDARY SEGMENT INFORMATION

	India	Outside India	Unallocated	Total
Revenue by geographical markets				
External	13,545.5	46,143.9	410.5	**60,099.9**
	-	-	-	**-**
Carrying amount of segment assets	13,197.3	71,529.1	7,710.9	**92,437.3**
Addition to fixed assets	1,728.1	3,578.8	-	**5,306.9**

2010-11

SUMMARY OF PRIMARY SEGMENT INFORMATION

Currency: Indian Rupees in Millions

	Automotive	Non automotive	Unallocated	Total
Segment revenue				
External	53,727.7	3,018.5	451.1	57,197.3
Intersegment	177.5	-	-	177.5
Total revenue	**53,905.2**	**3,018.5**	**451.1**	**57,374.8**
Results				
Segment result	2,988.2	160.8	-	3,149.0
Interest expense (net of Interest income)	-	-	621.7	621.7
Other Unallocable (net of Income)	-	-	(298.7)	(298.7)

Profit of Associates	-	-	9.9	9.9
Profit before taxation	-	-	-	**2,835.9**
Provision for taxation	-	-	913.8	913.8
Net profit after tax	-	-	-	**1,922.1**
Concern share	-	-	-	1,592.5
Minority	-	-	-	329.6
Other items				
Segment assets	29,802.6	3,336.8	7,861.6	41,001.0
Segment liabilities	12,281.6	887.1	11,321.6	24,490.3
Capital expenditure	2,690.9	693.9	6.1	3,390.9
Depreciation	1,597.0	99.1	6.5	1,702.6
Amortisation of Premium on Redemption of FCCB	-	-	1.1	1.1

SUMMARY OF SECONDARY SEGMENT INFORMATION

	India	Outside India	Unallocated	Total
Revenue by geographical markets				
External	16,945.8	39,919.3	332.2	57,197.3
	-	-	-	
Carrying amount of segment assets	13,000.5	21,123.3	6,877.2	**41,001.0**
Addition to fixed assets	1,293.8	2,097.1	-	**3,390.9**

2009-10

SUMMARY OF PRIMARY SEGMENT INFORMATION

Currency: Indian Rupees in Millions

	Automotive	Non automotive	Unallocated	Total
Segment revenue				
External	48,552.2	1941.1	119.8	50,613.1
Intersegment	65.4	-	-	65.4
Total revenue	**48,617.6**	**1,941.1**	**119.8**	**50,678.5**
Results				
Segment result	1,858.8	(9.1)	-	1,849.7
Interest expense (net of Interest income)	-	-	623.4	623.4
Other Unallocable (net of Income)	-	-	(27.8)	(27.8)
Profit of Associates	-	-	13.1	13.1
Profit before taxation	**-**	**-**	**-**	**1,267.2**
Provision for taxation	-	-	505.8	505.8
Net profit after tax	**-**	**-**	**-**	**761.4**
Concern share	**-**	**-**	**-**	704.0
Minority	**-**	**-**	**-**	57.4
Other items				
Segment assets	23,493.2	2,444.0	8,575.5	34,512.7
Segment liabilities	10,448.4	587.2	8,965.6	20,001.2
Capital expenditure	2,631.3	305.6	-	2,936.9
Depreciation	1,820.4	78.2	3.5	1,902.1
Amortisation of Premium on Redemption of FCCB	-	-	53.2	53.2

SUMMARY OF SECONDARY SEGMENT INFORMATION

	India	Outside India	Unallocated	Total
Revenue by geographical markets				
External	29,389.3	20,404.3	819.5	50,613.1
	-	-	-	
Carrying amount of segment assets	9,295.7	18,043.8	7,173.2	34,512.7
Addition to fixed assets	1,877.4	1,059.5	-	2,936.9

2008-09

SUMMARY OF PRIMARY SEGMENT INFORMATION

Currency: Indian Rupees in Millions

	Automotive	Non automotive	Unallocated	Total
Segment revenue				
External	7,676.6	872.3	811.2	9,360.1
Intersegment	39.2	-	-	39.2
Total revenue	**7,715.8**	**872.3**	**811.2**	**9,399.3**
Results				
Segment result	294.4	(75.9)	-	218.5
Intersegment	-	-	-	-
Net Results	**294.4**	**(75.9)**	**-**	**218.5**
Interest expense (net of Interest income)	-	-	210.7	210.7
Other Unallocable (net of Income)	-	-	(682.8)	(682.8)
Profit of Associates	-	-	7.1	7.1
Profit before taxation	**-**	**-**	**-**	**697.7**
Provision for taxation	-	-	119.9	119.9
Net profit after tax	**-**	**-**	**-**	**577.8**
Concern share	**-**	**-**	**-**	475.7
Minority	**-**	**-**	**-**	102.1
Other items				
Segment assets	20,949.7	1,711.7	7,254.3	29,915.7
Segment liabilities	10,368.8	364.0	7,839.3	18,572.1
Capital expenditure	819.2	239.6	14.0	1,072.8
Depreciation	280.6	62.9	27.3	370.8
Amortisation of Premium on Redemption of FCCB	-	-	53.1	53.1

SUMMARY OF SECONDARY SEGMENT INFORMATION

	India	Outside India	Unallocated	Total
Revenue by geographical markets				
External	4,713.1	4,571.0	76.0	9,360.1
Carrying amount of segment assets	5,285.1	18,119.8	6,510.8	29,915.7
Addition to fixed assets	927.4	145.4	-	**1,072.8**

2007-08

SUMMARY OF PRIMARY SEGMENT INFORMATION

Currency: Indian Rupees in Millions

	Automotive	Non automotive	Unallocated	Total
Segment revenue				
External	4,185.9	700.1	259.4	5,145.4
Intersegment	31.5	-	-	31.5
Total revenue	**4,217.4**	**700.1**	**259.4**	**5,176.9**
Results				
Segment result	425.9	39.4	-	465.3
Interest expense (net of Interest income)	-	-	57.0	57.0
Other Unallocable (net of Income)	-	-	(23.3)	(23.3)
Profit of Associates	-	-	13.1	13.1
Profit before taxation	**-**	**-**	**-**	**444.7**
Provision for taxation	-	-	134.0	134.0

	Automotive	Non automotive	Unallocated	Total
Net profit after tax	**-**	**-**	**-**	**310.7**
Concern share	**-**	**-**	**-**	319.5
Minority	**-**	**-**	**-**	(8.8)
Other items				
Segment assets	3,045.9	823.4	5,005.9	8,875.2
Segment liabilities	763.1	243.7	1,954.4	2,961.2
Capital expenditure	501.1	94.1	28.7	623.9
Depreciation	176.8	29.2	36.3	242.3
Amortisation of Premium on Redemption of FCCB	-	-	35.4	35.4

SUMMARY OF SECONDARY SEGMENT INFORMATION

	India	Outside India	Unallocated	Total
Revenue by geographical markets				
External	3,355.2	1,705.3	84.9	5,145.4
	-	-	-	
Carrying amount of segment assets	3,016.8	1,750.0	4,108.4	8,875.2
Addition to fixed assets	544.9	79.0	-	623.9

2006-07

SUMMARY OF PRIMARY SEGMENT INFORMATION

Currency: Indian Rupees in Millions

	Automotive	Non automotive	Unallocated	Total
Segment revenue				
External	565.8	99.3	21.0	686.1
Intersegment	4.9	-	-	4.9
Total revenue	**570.7**	**99.3**	**21.0**	**691.0**
Results				
Segment result	58.9	14.4	-	73.3
Interest expense (net of Interest income)	-	-	7.8	7.8
Other Unallocable (net of Income)	-	-	2.9	2.9
Profit of Associates	-	-	1.5	1.5
Profit before taxation	-	-	-	**64.1**
Provision for taxation	-	-	21.2	21.2
Net profit after tax	-	-	-	**42.9**
Concern share	-	-	-	43.4
Minority	-	-	-	(0.5)
Other items				
Segment assets	2,237.0	633.5	4,499.2	7,369.7
Segment liabilities	393.6	151.2	1,375.7	1,920.5
Capital expenditure	77.0	14.5	15.9	107.4
Depreciation	24.7	4.8	1.2	30.7
Amortisation of Premium on Redemption of FCCB	-	-	6.1	6.1

SUMMARY OF SECONDARY SEGMENT INFORMATION

	India	Outside India	Unallocated	Total
Revenue by geographical markets				
External	472.0	212.2	1.9	686.1
Carrying amount of segment assets	2,217.8	883.8	4,268.1	7,369.7
Addition to fixed assets	77.4	30.0	-	107.4

a) Composition of Business Segments

The group is organized into two main business segments (determined on the basis of customer industry), namely:

Automotive	Wiring Harness, High Tension Chords Wire, Plastic Components, Rubber Components, Cockpit Assembly, CAD, Machine Tools, Injection Molding Tools, Paint Coating, Metal Cutting Tools, Sunroofs, Robots, Rear View Mirrors, Metal Coating and Integrated Modules for Bumpers, Cockpit Assembly and Door Trims
Non Automotive	Wiring Harness, Pen-Stamp Assembly, Plastic Components, Household Wires, Plates, Robots, Machine Tools,
Unallocated	Bimetal Band Saw manufacturing, Paint Guns, Robots, Investment Companies

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.

20. A) The Group had the following un – hedged foreign currency exposures* as at:-

(Figures in Millions)

	December 31, 2011	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
EUR	(10.3)	9.3	3.5	(7.4)	3.4	6.3
GBP	(0.2)	(1.4)	14.8	11.9	13.5	(0.1)
JPY	226.9	191.0	341.8	857.2	188.4	132.6
USD	275.6	79.3	37.8	19.1	14.5	2.0
SGD	0.0	0.2	(1.3)	(1.2)	0.1	0.1
AUD	(0.1)	0.4	(0.1)	3.4	(0.5)	(0.5)
KRW	3.8	(197.2)	(3.1)	-	-	-
CNY	0.1	0.1	-	-	-	-
MXN	8.4	-	(0.3)	0.8	-	-
THB	0.1	0.5	(0.1)	-	-	-
AED	0.9	0.9	(0.3)	0.3	1.3	1.0
LKR	(6.9)	(0.1)	(5.6)	(1.7)	5.4	-
INR	40.0	69.1	15.4		-	0.1
HUF	196.3	-	-	167.0	-	-
Any other	(3.8)	(1.8)	-	-	-	-

. *Assets / (Liabilities)

B) Derivatives

The Group is exposed to foreign currency fluctuations on foreign currency assets / liabilities, interest rate risk and commodity price risk. The use of derivatives to hedge foreign currency forecasted cash flows is governed by the Group's strategy, which provide principles on the use of such forward contracts and swaps. Interest rate swaps (which are part of the same contract) are primarily conversion of floating rate loans to fixed rate loans. The interest is accounted for at fixed rates as per the swap contracts. Commodity contracts are entered to hedge pricing risks. The Group does not use derivatives contracts for speculative purposes.

The following table presents the aggregate contracted principal amounts of the Company's derivative contracts outstanding:

(First mentioned currency in millions)

Category	Purpose	Nature	Foreign Currency	Dec 31, 2011	2010-11	2009-10	2008-09	2007-08	2006-07
Forward Contracts	Currency Hedging	Bought	USD:INR	2.2	1.8	0.3	0.1	-	-
		Bought	Euro:INR	-	0.2	0.5	-	-	-
		Bought	JPY:INR	128.3	53.1	-	-	-	-
		Bought	USD:KRW	0.6	-	-	-	-	-
		Bought	USD: AUD	0.2	-	-	-	-	-
		Bought	JPY: AUD	1.9	-	-	-	-	-
		Bought	JPY:USD	-	579.6	451.2	-	-	-
		Sold	Euro:INR	0.5	0.7	0.1	0.1	0.0	-
Interest & Currency	Interest Rate Swaps & Currency Hedging	Bought	USD:INR	-	1.8	1.9	-	-	-
		Bought	USD: EUR	8.5					
		Bought	JPY:INR	-	147.3	152.4	139.4	-	-
Commodities	Price Hedging	Bought	USD:Euro	3.7	0.5	-		-	-
		Bought	USD:INR	3.0	3.3	4.5	-	-	-

21. Subsequent to December 31, 2011,

(a) SMR Automotive Mirror Technology Hungary, a subsidiary of a joint venture of the Company, has incorporated a new entity in Japan viz. SMR Automotive Operations Japan K.K. primarily for the purpose of engineering and project management services related to automotive components.

(b) SMR Automotive Australia, a subsidiary of a joint venture of the Company has entered into an agreement to purchase a 40% interest in Re Time prior to 31 December 2011. The purchase consideration included cash of AUD 11,800 and in kind contribution through manufacturing of tooling valued at AUD 500,000 as at year end no cash payment has been made nor had the manufacture of tooling commenced and accordingly investment has been recognised subsequent to period end.

22. 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 it's international transactions are at arm's length so that aforesaid legislation will not have any impact on the financial statements.

23. Directors of the Company are entitled, in terms of a shareholders' resolution passed during the period ended December 31, 2011, to a remuneration upto 1% of the net profits of the Company computed in accordance with relevant provision of the Companies Act, 1956. However, no provision for directors' remuneration has been made in these financial information since the net remuneration payable, if any, will be decided by the Board of Directors of the Company depending upon full year's results.

24. During the period ended December 31, 2011, the Company commenced process of an Initial Public Offer of its shares by way of issue of additional shares and offer for sale of shares by Radha Rani Holdings Pte. Ltd. Share issue expenses incurred for the reissue of additional share still the balance sheet date aggregating Rs. 54.5 million (net) have been accumulated under the head "Miscellaneous Expenditure not written off or adjusted" to be charged against securities premium account on successful completion of the share issue, in terms of section 78 of the Companies Act, 1956 or to otherwise charge off such expenditure to the Profit & Loss Account for the period ended December 31, 2011. The Company had an option to charge such expenditure to profit & Loss Account. Had such amount been already charged to Profit & Loss Account, Profit before tax would have been lower by Rs. 54.5 million and Profit after tax and Reserves and Surplus would have been respectively lower by Rs. 38.1 million. Also, in terms of the objects of the issue, the Company has debited Rs. 13.0 million being proportionate share of share issue expenses, to Radha Rani Holdings Pte. Ltd., the selling shareholder.

25. In respect of a long term borrowing aggregating to Rs.306.9 Million in respect of which certain financial ratio covenants were not met on the covenant testing date of December 31, 2011, the Group has obtained the requisite waiver from the bank for the financial year ended March 31, 2012.

Further, the Group had applied to its lenders (for long term borrowings) in respect of loans aggregating to Rs 13,862.94 million for waiver of compliance with certain financial ratio covenants which were unlikely to be met on their testing date of March 31, 2012 and has received the requisite waivers from such lenders except in respect of loans aggregating to Rs. 1,884.03 million for which approvals are awaited.

The Group however believes, based on the projected cash flows for the next year, that it would generate sufficient cash to meet its obligations, if waiver is not granted in respect of any loan facility where debt covenants are not met and is recalled by the banks at any point of time.

26. Corresponding numbers of previous years have been rearranged/ regrouped wherever necessary to conform to classification as and for the nine months' interim period ended December 31, 2011.

27. Subsequent to the approval of this restated consolidated financial information on April 11, 2012 by the Board of Directors of the Company, it is now further clarified that the scope of work and the terms of agreement of the statutory auditors, as agreed with the management of the Company, are not in variance with relevant provisions of the Companies Act, the SEBI Act and the (Revised) Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India, respectively.This revised restated consolidated financial information has been approved by the Board of Directors of the Company by way of a circular resolution on April 19, 2012.

Annexure VI - Statement on Adjustments to Consolidated Financial Statements of Samvardhana Motherson Finance Limited

Currency: Indian Rupees in Millions

S. No.	Particulars	Period Ended December 31, 2011	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007
I	**Net Profit / (Loss) after tax before Minority Interest (audited) - as originally reported for each of the years**	**(1278.2)**	**1,686.4**	**757.0**	**686.9**	**312.3**	**45.5**
II	**Restatement adjustments :**						
1	**Change in accounting policies**						
	- Change in policy for accounting for retirement benefits	-	-	-	-	-	0.1
	- Change in policy of capitalisation of assets costing less than Rs 5,000/- in India	-	-	-	(0.1)	(0.1)	(1.0)
	- Change in policy for accounting for Costs of legal advisors and consultants incurred on acquisition (also refer Annexure XV)	-	-	-	(107.8)	-	-
	- Others	-	(0.3)	0.3	-	-	-
2	**Material amounts relating to adjustments for prior years**						
	-Others		(0.5)	(0.1)	1.1	0.0	-
	-Price Adjustment	(32.3)	32.3	-	-	-	-
	-Laibilities no longer required written back	(113.0)	94.2	-	-	-	-
	-Provision for doubtful debts / Bad debts written off	1.7	(1.3)	1.2	(1.2)	-	-
	-Change in estimated useful life of fixed assets	0.4	1.6	1.3	(1.9)	(1.5)	(2.2)
	-Change in estimated useful life of fixed assets of associate company	-	-	0.1	0.1	0.5	(0.1)
	-Exchange Fluctuation	10.2	(9.0)	-	-	-	-
	-Penalty	1.0	-	-	-	(1.0)	-
	Total Restatement Adjustments	**(132.0)**	**117.0**	**2.8**	**(109.8)**	**(2.1)**	**(3.2)**
III	**Profit / (Loss) before tax- as restated**	**(1,410.2)**	**1,803.4**	**759.8**	**577.1**	**310.2**	**42.3**
IV	Current tax impact of adjustments	16.2	(14.8)	(0.1)	-	-	-
V	Excess current tax provision in earlier year written back in current period.	(133.8)	133.8	-	-	-	-
VI	Deferred tax impact of adjustments	(0.1)	(0.3)	(0.2)	0.4	0.3	0.6
VII	Deferred tax not recognised earlier	-	-	1.9	0.3	0.2	-
VIII	**Net Profit / (Loss) after tax - as restated**	**(1,527.9)**	**1,922.1**	**761.4**	**577.8**	**310.7**	**42.9**
IX	**Addition on change in holding in consolidated companies on restatement**	2.8	-	-	-	-	-
IX	**Proposed dividend on cumulative preference shares**	**-**	**-**	**-**	-	1.9	(1.9)

Note: figures in brackets means reducing profit

Notes to the Adjustments:

1. Adjustments resulting from adoption of Accounting Standard 15 on "Employee Benefits (Revised)" have been restated to respective years including to opening reserves.

2. Assets costing less than Rs.5,000 are charged to expense in the year of purchase as per the policy of the Company. Such assets not expensed by certain consolidating companies have been adjusted in the restated financial information in the respective years.

3. Costs of legal advisors and consultants aggregating to Rs. 107.8 million (to the extent of SMFL proportionate share) incurred by Samvardhana Motherson Visiocorp Solution Limited, subsequently renamed as Samvardhana Motherson Reflectec Group Holdings Limited ("SMR") at the time of acquisition of all subsidiaries of Visiocorp Plc. (in administration) and accounted for as a part of acquisition costs have been charged to the profit and loss account for restatement purposes resulting in an increase in the corresponding capital reserve on consolidation with the same amount (Refer notes 1 (c) and 6 (h) on Annexure V) .

4. Price increase received from certain customers adjusted to the respective year in which the sale was recognised.

5. Liabilities created in earlier years have been written back. For restatement purposes, the said liabilities have been adjusted against related expenses in respective years in which the same were originally created.

6. Provision for doubtful debts and debts written off aggregating to Rs. 1.2 million has been suitably restated in respective years.

7. Depreciation has been restated in certain consolidating companies on account of harmonisation of estimated useful life of fixed assets based on the Group policy and has been adjusted in respective years.

8. Exchange fluctuation arising on account of restatement of liabilities to the respective years has been suitable adjusted in the year in which it was originally created.

9. During the year 2009-10, Samvardhana Motherson Finance Limited (the Company) received a letter of intimation from the Reserve Bank of India ('RBI') regarding contravention of certain regulations issued under Foreign Exchange Management Act, 1999 in respect of the investments made by one of its overseas subsidiary in India. The Company had made a compounding application to RBI for the aforesaid matter which was rejected by RBI. Further, the Company has received communications from Directorate of Enforcement, Ministry of Finance, seeking information from time to time, which has been provided by the Company. During the period ended December 31, 2011, based on a fresh application for compounding made by the Company, the RBI has imposed a penalty of Rs. 1.0 Million which has been paid by the Company and has been adjusted in the year ended March 31, 2008, when the first overseas investment was made by the Company. There is no current tax or deferred tax impact of this adjustment. T he matter has been resolved subject to compliance of certain conditions by the Company.

10. Excess current tax provisions written back during the period ended December 31, 2011 have been pushed to the respective year in which such provisions were recognised.

11. Deferred tax asset not recognised in earlier years has been adjusted to the respective years to which it relates.

12. 'Others' include items which are below Rs 0.5 million and as such details thereof have not been provided as these are not considered material.

13. Dividend on cumulative preference shares, issued by a joint venture company, relating to 2006-07 but declared in 2007-08 have been adjusted to 2006-07.

Items not adjusted:

13. In respect of certain subsidiaries/Joint Venture companies of the group, inventories are valued on a weighted average cost basis as against the group policy of valuing inventories on First in First out ('FIFO') cost basis since it is not considered practical to do so by the management. The total value of inventories valued on weighted average basis amount to Rs. 10,752.7 Million, (March 2011: Rs. 1067.4 Million), (2010: Rs. 990.9 Million), (2009: Rs. 586.1 Million), (2008: Rs. 13.1 Million), (2007: Rs. 12.6 Million). Such inventories are 63.75%, (March 2011: 16.27%), (2010: 21.88%), (2009: 15.04%), (2008: 1.85 %), (2007: 2.61 %) of the group's total inventories.

Opening Reserve Reconciliation (April 1, 2006)

Particulars	Amount
Balance in Profit and Loss account / General Reserve as per audited Balance sheet as at April 1, 2006	(2.0)
Adjustment on account of adoption of Accounting Standard 15 - "Employee Benefits" (Revised) adjusted to earlier years	(0.6)
Balance as per restated financial information as at April 1, 2006	(2.6)

Annexure VII - Restated Consolidated Statement of Fixed Assets of Samvardhana Motherson Finance Limited

Period Ended December 31, 2011

Currency: Indian Rupees in Millions

PARTICULARS	GROSS BLOCK						DEPRECIATION BLOCK						NET BLOCK
	Opening Block April 1, 2011	Addition on account of Change in Shareholding/ Acquisition	Addition	Deletions/ Sale/Adjustments	Exchange Translation Adjustments	Total as at December 31, 2011	Accumulated Depreciation as on April 1, 2011	Addition on account of Change in Shareholding/ Acquisition	Depreciation for the Period	Depreciation on Deletions/ Sale	Exchange Translation Adjustments	Accumulated Depreciation as on December 31, 2011	As at Decemer 31, 2011
	'a'	'b'	'c'	'd'	'e'	'f=a+b+c-d+e	'g'	'h'	'i'	'j'	'k'	'l=g+h+i-j+k'	'm=f-l'
Tangible Assets													
Freehold Land	1,368.7	776.2	305.1	48.8	49.8	**2,451.0**	26.9	4.5	-	25.6	1.0	**6.8**	**2,444.2**
Leasehold Land	611.4	15.0	-	(14.2)	3.7	**644.3**	20.9	2.8	5.2	(2.2)	0.2	**31.3**	**613.0**
Leasehold Improvements	84.0	(0.4)	0.8	(0.3)	5.3	**90.0**	47.8	(0.2)	8.2	(1.5)	3.5	**60.8**	**29.2**
Buildings	5,111.5	5,388.0	1,717.5	9.7	470.9	**12,678.2**	1,005.4	1,964.3	175.4	(14.1)	100.2	**3,259.4**	**9,418.8**
Plant & Machinery	16,915.2	26,530.2	2,576.1	336.1	1,620.9	**47,306.3**	11,876.7	14,587.8	1,136.4	225.4	1,270.9	**28,646.4**	**18,659.9**
Furniture, fixtures & Office Equipments	1,076.4	1,239.5	428.0	24.4	118.8	**2,838.3**	823.2	668.2	167.7	10.0	93.5	**1,742.6**	**1,095.7**
Computers	1,154.8	627.4	93.8	64.1	82.8	**1,894.7**	999.1	542.7	87.3	63.4	74.8	**1,640.5**	**254.2**
Vehicles	289.3	88.6	70.3	36.8	5.6	**417.0**	155.5	50.7	47.4	26.3	4.1	**231.4**	**185.6**
Intangible Assets													
Software	137.3	527.5	99.0	2.9	(3.3)	**757.6**	118.6	272.3	28.2	2.2	(1.6)	**415.3**	**342.3**
Goodwill on consolidation	6,759.0	1,044.7	-	140.4	0.3	**7,663.6**	53.4	-	16.3	43.8	-	**25.9**	**7,637.7**
Technical Knowhow fees / Customer Lists & relationships	11.2	394.5	7.6	-	(1.8)	**411.5**	4.8	356.8	5.1	-	(2.0)	**364.7**	**46.8**
Customer Lists & relationships	288.2	(0.7)	8.7	4.2	32.5	**324.5**	150.8	(0.3)	6.5	58.8	68.4	**166.6**	**157.9**
Intellectual property rights	3.2	-	-	-	-	**3.2**	1.7	-	-	-	-	**1.7**	**1.5**
TOTAL	**33,810.2**	**36,630.5**	**5,306.9**	**652.9**	**2,385.5**	**77,480.2**	**15,284.8**	**18,449.6**	**1,683.7**	**437.7**	**1,613.0**	**36,593.4**	**40,886.8**
CAPITAL WORK IN PROGRESS*													4,295.1
Re statement Adj.	(1.1)	-				**(1.1)**	2.2		(0.4)	(0.2)		**2.0**	**(3.1)**
GRAND TOTAL, as Restated	**33,809.1**	**36,630.5**	**5,306.9**	**652.9**	**2,385.5**	**77,479.1**	**15,287.0**	**18,449.6**	**1,683.3**	**437.5**	**1,613.0**	**36,595.4**	**45,178.8**

*Includes Capital advances Rs. 850.3 millions.

Depreciation for the period includes impairment of Rs. 16.3 million.

Refer Notes 7(a)(i), 7(a)(ii), 7(a)(iii), 7(a)(iv)

2010-11

Currency: Indian Rupees in Millions

PARTICULARS	GROSS BLOCK						DEPRECIATION BLOCK						NET BLOCK
	Opening Block April 1, 2010	Addition on account of Change in Shareholding / Acquisition	Addition	Deletions / Sale/Adjustments	Exchange Translation Adjustments	Total as at March 31, 2011	Accumulated Depreciation as on April 1, 2010	Addition on account of Change in Shareholding/ Acquisition	Depreciation for the Year	Depreciation on Deletions/ Sale	Exchange Translation Adjustments	Accumulated Depreciation as on March 31, 2011	As at March 31, 2011
	'a'	'b'	'c'	'd'	'e'	'f=a+b +c-d+e	'g'	'h'	'i'	'j'	'k'	'l=g+h+i-j+k'	'm=f-l'
Tangible Assets													
Freehold Land	680.9	29.4	645.7	-	12.7	**1,368.7**	22.0	(0.3)	5.0	0.4	0.6	**26.9**	**1,341.8**
Leasehold Land	480.6	24.3	106.5	-	-	**611.4**	19.0	(0.4)	2.3	-	-	**20.9**	**590.5**
Leasehold Improvements	74.6	(1.8)	9.6	0.9	2.5	**84.0**	39.2	(1.0)	8.7	0.4	1.3	**47.8**	**36.2**
Buildings	4,397.9	(49.4)	681.0	46.3	128.3	**5,111.5**	808.1	0.2	176.9	13.1	33.3	**1,005.4**	**4,106.1**
Plant & Machinery	15,053.9	(144.9)	1,637.6	174.7	543.3	**16,915.2**	10,322.4	(73.0)	1,230.0	40.9	438.2	**11,876.7**	**5,038.5**
Furniture, fixtures & Office Equipments	933.1	(10.0)	83.7	(32.4)	37.2	**1,076.4**	720.4	(8.3)	77.9	(1.9)	31.3	**823.2**	**253.2**
Computers	893.2	(8.9)	137.6	(98.1)	34.8	**1,154.8**	747.7	(3.0)	128.2	(94.7)	31.5	**999.1**	**155.7**
Vehicles	241.7	(2.2)	80.2	32.8	2.4	**289.3**	127.8	(0.3)	54.9	28.5	1.6	**155.5**	**133.8**
Intangible Assets													
Software	268.9	1.3	7.4	140.3	-	**137.3**	215.2	(2.4)	13.4	107.6	-	**118.6**	**18.7**
Goodwill on consolidation	6,940.6	(160.5)	-	21.3	0.2	**6,759.0**	48.5	-	4.9	-	-	**53.4**	**6,705.6**
Technical Knowhow fees / Customer Lists & relationships	5.4	(0.1)	0.5	(0.2)	5.2	**11.2**	1.4	0.4	0.8	2.7	4.9	**4.8**	**6.4**
Customer Lists & relationships	286.4	(3.6)	1.1	(1.7)	2.6	**288.2**	149.4	(1.6)	1.2	(1.6)	0.2	**150.8**	**137.4**
Intellectual property rights	3.3	(0.1)	-	-	-	**3.2**	1.8	(0.1)	-	-	-	**1.7**	**1.5**
TOTAL	**30,260.5**	**(326.5)**	**3,390.9**	**283.9**	**769.2**	**33,810.2**	**13,222.9**	**(89.8)**	**1,704.2**	**95.4**	**542.9**	**15,284.8**	**18,525.4**
CAPITAL WORK IN PROGRESS*													2,859.3
Re statement Adj.	(1.1)	-	-	-	-	(1.1)	4.1	-	(1.6)	0.3	-	2.2	(3.3)
GRAND TOTAL, as Restated	**30,259.4**	**(326.5)**	**3,390.9**	**283.9**	**769.2**	**33,809.1**	**13,227.0**	**(89.8)**	**1,702.6**	**95.7**	**542.9**	**15,287.0**	**21,381.4**

*Includes Capital advances Rs. 466.1 millions.

Depreciation for the year includes impairment of Rs. 4.9 million.
Also refer to Note 7(b) of Annexure V

Annexure VII - Restated Consolidated Statement of Fixed Assets of Samvardhana Motherson Finance Limited

2009-10

Currency: Indian Rupees in Millions

PARTICULARS	GROSS BLOCK						DEPRECIATION BLOCK						NET BLOCK
	Opening Block April 1, 2009	Addition on account of Change in Shareholding/ Acquisition	Addition	Deletions/ Sale/Adjustments[1]	Exchange Translation Adjustments	Total as at March 31, 2010	Accumulated Depreciation as on April 1, 2009	Addition on account of Change in Shareholding/ Acquisition	Depreciation for the Year	Depreciation on Deletions/ Sale[1]	Exchange Translation Adjustments	Accumulated Depreciation as on March 31, 2010	As at March 31, 2010
	'a'	'b'	'c'	'd'	'e'	'f=a+b +c-d+e	'g'	'h'	'i'	'j'	'k'	'l=g+h+i-j+k'	'm=f-l'
Tangible Assets													
Freehold Land	483.8	47.5	190.1	35.6	(4.9)	**680.9**	22.9	1.2	1.7	-	(3.8)	**22.0**	**658.9**
Leasehold Land	262.8	102.6	115.2	-	-	**480.6**	9.2	4.2	5.8	-	(0.2)	**19.0**	**461.6**
Leasehold Improvements	36.6	6.5	11.1	2.3	22.7	**74.6**	22.1	5.4	10.1	0.5	2.1	**39.2**	**35.4**
Buildings	3,765.8	390.4	615.6	144.6	(229.3)	**4,397.9**	756.8	50.1	210.4	115.8	(93.4)	**808.1**	**3,589.8**
Plant & Machinery	13,556.3	827.2	1,782.0	849.0	(262.6)	**15,053.9**	9,042.3	459.6	1,364.3	446.2	(97.6)	**10,322.4**	**4,731.5**
Furniture, fixtures & Office Equipments	828.5	96.3	72.9	111.0	46.4	**933.1**	635.8	60.7	111.9	103.0	15.0	**720.4**	**212.7**
Computers	569.0	132.3	60.5	8.6	140.0	**893.2**	480.8	109.0	61.0	6.7	103.6	**747.7**	**145.5**
Vehicles	159.9	41.7	63.1	26.8	3.8	**241.7**	89.8	19.3	40.7	20.9	(1.1)	**127.8**	**113.9**
Intangible Assets													
Software	412.8	110.8	22.8	51.6	(225.9)	**268.9**	271.9	96.4	45.8	25.0	(173.9)	**215.2**	**53.7**
Goodwill on consolidation	6,196.1	745.6	-	-	(1.1)	**6,940.6**	48.5	-	-	-	-	**48.5**	**6,892.1**
Technical Knowhow fees / Customer Lists & relationships	3.4	0.2	2.7	0.4	(0.5)	**5.4**	0.7	0.1	1.0	0.4	-	**1.4**	**4**
Customer Lists & relationships	179.8	127.9	0.9	0.3	(21.9)	**286.4**	67.0	60.3	50.7	1.6	(27.0)	**149.4**	**137**
Intellectual property rights	3.0	0.3	-	-	-	**3.3**	1.6	0.2	-	-	-	**1.8**	**1.5**
TOTAL	**26,457.8**	**2,629.3**	**2,936.9**	**1,230.2**	**(533.3)**	**30,260.5**	**11,449.4**	**866.5**	**1,903.4**	**720.1**	**(276.3)**	**13,222.9**	**17,037.6**
CAPITAL WORK IN PROGRESS*													1,218.3
Re statement Adj.	(1.1)	-	-	-	-	(1.1)	5.6	-	(1.3)	0.2	-	4.1	(5.2)
GRAND TOTAL, as restated	**26,456.7**	**2,629.3**	**2,936.9**	**1,230.2**	**(533.3)**	**30,259.4**	**11,455.0**	**866.5**	**1,902.1**	**720.3**	**(276.3)**	**13,227.0**	**18,250.7**

*Includes Capital advances Rs. 645.5 million.

[1] Includes assets held for sale of net book value of Rs. 157.4 million. (Refer note 10 of Annexure V)

Also refer to Note 7(c) of Annexure V

Annexure VII - Restated Consolidated Statement of Fixed Assets of Samvardhana Motherson Finance Limited

2008-09

Currency: Indian Rupees in Millions

PARTICULARS	GROSS BLOCK						DEPRECIATION BLOCK						NET BLOCK
	Opening Block April 1, 2008	Addition on account of Change in Shareholding/ Acquisition	Addition	Deletions/ Sale/Adjustments	Exchange Translation Adjustments	Total as at March 31, 2009	Accumulated Depreciation as on April 1, 2008	Addition on account of Change in Shareholding / Acquisition	Depreciation for the Year	Depreciation on Deletions/ Sale	Exchange Translation Adjustments	Accumulated Depreciation as on March 31, 2009	As at March 31, 2009
	'a'	'b'	'c'	'd'	'e'	'f=a+b+c-d+e	'g'	'h'	'i'	'j'	'k'	'l=g+h+i-j+k'	'm=f-l'
Tangible Assets													
Freehold Land	**124.6**	316.1	30.3	-	12.8	**483.8**	-	22.9	0.2	-	(0.2)	22.9	**460.9**
Leasehold Land	**156.6**	74.4	31.8	-	-	**262.8**	4.4	1.8	2.2	-	0.8	9.2	**253.6**
Leasehold Improvements	**17.7**	18.4	9.9	11.2	1.8	**36.6**	8.3	9.7	9.8	10.5	4.8	22.1	**14.5**
Buildings	**463.5**	2,947.2	253.0	-	102.1	**3,765.8**	61.9	629.3	34.1	-	31.5	756.8	**3,009.0**
Plant & Machinery	**1,530.7**	11,032.5	652.0	49.8	390.9	**13,556.3**	710.8	7,739.0	244.8	14.5	362.2	9,042.3	**4,514.0**
Furniture, fixtures & Office Equipments	**67.8**	706.6	20.4	3.2	36.9	**828.5**	44.3	549.3	13.1	2.7	31.8	635.8	**192.7**
Computers	**61.1**	486.1	21.4	1.2	1.6	**569.0**	41.0	424.2	16.8	1.2	-	480.8	**88.2**
Vehicles	**79.8**	56.9	42.5	20.0	0.7	**159.9**	36.4	42.4	19.7	16.5	7.8	89.8	**70.1**
Intangible Assets												-	**-**
Software	**15.8**	383.4	7.1		6.5	**412.8**	3.7	256.2	4.8		7.2	271.9	**140.9**
Goodwill on consolidation	**4,106.1**	2,089.7	-	-	0.3	**6,196.1**	29.3	-	19.2	-	-	48.5	**6,147.6**
Technical Knowhow fees / Customer Lists & relationships	**0.3**	0.2	2.9	-	-	**3.4**	0.2	0.2	0.2	-	0.1	0.7	**2.7**
Customer Lists & relationships	**1.7**	170.6	1.6	-	5.9	**179.8**	1.3	58.7	4.0	-	3.0	67.0	**112.8**
Intellectual property rights	**1.9**	1.1	-	-	-	**3.0**	0.8	0.5	-	-	0.3	1.6	**1.4**
TOTAL	**6,627.6**	**18,283.2**	**1,072.9**	**85.4**	**559.5**	**26,457.8**	**942.4**	**9,734.2**	**368.9**	**45.4**	**449.3**	**11,449.4**	**15,008.4**
CAPITAL WORK IN PROGRESS*													765.6
Re statement Adj.	(1.0)		(0.1)			(1.1)	3.7		1.9			5.6	(6.7)
GRAND TOTAL, as restated	**6,626.6**	**18,283.2**	**1,072.8**	**85.4**	**559.5**	**26,456.7**	**946.1**	**9,734.2**	**370.8**	**45.4**	**449.3**	**11,455.0**	**15,767.3**

*Includes Capital advances Rs. 87.4 millions.
Also refer to Notes 6 and 7(d) of Annexure V

Annexure VII - Restated Consolidated Statement of Fixed Assets of Samvardhana Motherson Finance Limited

2007-08

Currency: Indian Rupees in Millions

PARTICULARS	GROSS BLOCK						DEPRECIATION BLOCK						NET BLOCK
	Opening Block April 1, 2007	Addition on account of Change in Shareholding/ Acquisition	Addition	Deletions/ Sale/Adjustments	Exchange Translation Adjustments	Total as at March 31, 2008	Accumulated Depreciation as on April 1, 2007	Addition on account of Change in Shareholding/ Acquisition	Depreciation for the Year	Depreciation on Deletions/ Sale	Exchange Translation Adjustments	Accumulated Depreciation as on March 31, 2008	As at March 31, 2008
	'a'	'b'	'c'	'd'	'e'	'f=a+b +c-d+e	'g'	'h'	'i'	'j'	'k'	'l=g+h+i-j+k'	'm=f-l'
Tangible Assets													
Freehold Land	36.8	(0.3)	110.6	23.1	0.6	124.6	-	-	-	-	-	-	**124.6**
Leasehold Land	103.5	(0.8)	53.9	-	-	156.6	3.9	-	1.3	0.8	-	4.4	**152.2**
Leasehold Improvements	14.7	(0.1)	3.1	-	-	17.7	7.1	(0.1)	1.3	-	-	8.3	**9.4**
Buildings	383.6	(3.0)	80.9	5.4	7.4	463.5	45.4	(0.4)	17.3	1.5	1.1	61.9	**401.6**
Plant & Machinery	1,260.0	(9.4)	308.6	44.4	15.9	1,530.7	588.3	(4.2)	142.7	24.2	8.2	710.8	**819.9**
Furniture, fixtures & Office Equipments	54.6	(0.4)	13.2	0.9	1.3	67.8	31.1	(0.2)	12.8	0.6	1.2	44.3	**23.5**
Computers	48.2	(0.3)	14.7	1.4	(0.1)	61.1	33.8	(0.3)	8.4	0.8	(0.1)	41.0	**20.1**
Vehicles	63.0	(0.4)	25.0	8.4	0.6	79.8	28.0	(0.2)	13.3	5.3	0.6	36.4	**43.4**
Intangible Assets													
Software	3.7	-	12.1	-	-	15.8	1.3	-	2.4	-	-	3.7	**12.1**
Goodwill on consolidation	4,122.9	(17.8)	0.8	-	0.2	4,106.1	-	-	29.3	-	-	29.3	**4,076.8**
Technical Knowhow fees / Customer Lists & relationships	0.3	-	-	-	-	0.3	0.2	-	-	-	-	0.2	**0.1**
Customer Lists & relationships	8.1	(0.1)	1.0	7.4	0.1	1.7	2.8	-	5.8	7.4	0.1	1.3	**0.4**
Intellectual property rights	1.9	-	-	-	-	1.9	0.8	-	-	-	-	0.8	**1.1**
TOTAL	**6,101.3**	**(32.6)**	**623.9**	**91.0**	**26.0**	**6,627.6**	**742.7**	**(5.4)**	**234.6**	**40.6**	**11.1**	**942.4**	**5,685.2**
CAPITAL WORK IN PROGRESS*@													128.5
Re statement Adjustments	(1.0)	-	-	-	-	(1.0)	2.2	-	1.5	-	-	3.7	(4.7)
GRAND TOTAL, as restated	**6,100.3**	**(32.6)**	**623.9**	**91.0**	**26.0**	**6,626.6**	**744.9**	**(5.4)**	**236.1**	**40.6**	**11.1**	**946.1**	**5,809.0**

*Net of impairment loss amounting to Rs. 6.2 million charged to profit and loss account.
@ includes Capital advances Rs. 42.7 millions
Also refer note 7(e) on Annexure V

Annexure VII - Restated Consolidated Statement of Fixed Assets of Samvardhana Motherson Finance Limited

2006-07

Currency: Indian Rupees in Millions

PARTICULARS	GROSS BLOCK						DEPRECIATION BLOCK						NET BLOCK
	Opening Block April 1, 2006	Addition on account of Change in Shareholding/ Acquisition	Addition	Deletions/ Sale/Adjustments	Exchange Translation Adjustments	Total as at March 31, 2007	Accumulated Depreciation as on April 1, 2006	Addition on account of Change in Shareholding/ Acquisition	Depreciation for the Year	Depreciation on Deletions/ Sale	Exchange Translation Adjustments	Accumulated Depreciation as on March 31, 2007	As at March 31, 2007
	'a'	'b'	'c'	'd'	'e'	'f=a+b +c-d+e	'g'	'h'	'i'	'j'	'k'	'l=g+h+i-j+k'	'm=f-l'
Tangible Assets													
Freehold Land	-	35.1	1.7	-	-	36.8	-	-	-	-	-	-	**36.8**
Leasehold Land	-	96.8	6.7	-	-	103.5	-	3.7	0.2	-	-	3.9	**99.6**
Leasehold Improvements	-	13.4	1.3	-	-	14.7	-	7.0	0.1	-	-	7.1	**7.6**
Buildings	0.1	365.0	18.4	-	0.1	383.6	-	43.2	2.2	-	-	45.4	**338.2**
Plant & Machinery	0.1	1,194.2	67.3	2.1	0.5	1,260.0	-	569.4	20.6	1.8	0.1	588.3	**671.7**
Furniture, fixtures & Office Equipments	0.6	51.6	2.6	0.3	0.1	54.6	0.1	29.8	1.4	0.2	-	31.1	**23.5**
Computers	1.1	44.2	3.0	0.1	-	48.2	0.2	32.3	1.4	0.1	-	33.8	**14.4**
Vehicles	0.4	57.3	6.2	0.9	-	63.0	0.1	26.5	1.9	0.5	-	28.0	**35.0**
Intangible Assets													
Software	0.7	2.2	0.8	-	-	3.7	0.1	0.9	0.3	-	-	1.3	**2.4**
Goodwill on consolidation	4.2	4,118.7	-	-	-	4,122.9	-	-	-	-	-	-	**4,122.9**
Technical Knowhow fees / Customer Lists & relationships	-	0.3	-	-	-	0.3	-	0.2	-	-	-	0.2	**0.1**
Customer Lists & relationships	-	7.9	0.1	-	0.1	8.1	-	2.5	0.3	-	-	2.8	**5.3**
Intellectual property rights	-	1.6	0.3	-	-	1.9	-	0.7	0.1	-	-	0.8	**1.1**
TOTAL	**7.2**	**5,988.3**	**108.4**	**3.4**	**0.8**	**6,101.3**	**0.5**	**716.2**	**28.5**	**2.6**	**0.1**	**742.7**	**5,358.6**
CAPITAL WORK IN PROGRESS*													49.8
Re statement Adj.	-	-	(1.0)	-	-	(1.0)	-	-	2.2	-	-	2.2	(3.2)
GRAND TOTAL, as restated	**7.2**	**5,988.3**	**107.4**	**3.4**	**0.8**	**6,100.3**	**0.5**	**716.2**	**30.7**	**2.6**	**0.1**	**744.9**	**5,405.2**

*Includes Capital advances Rs. NIL.

Also refer to Notes 2 and 7(f) on Annexure V

Annexure VIII - Restated Consolidated Statement of Investments of Samvardhana Motherson Finance Limited

Currency: Indian Rupees in Millions

Particulars	December 31, 2011	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
Long-term Investments						
1. In Associates						
Net Asset Value[1]						
As at the beginning of the year	76.2	66.6	52.7	42.8	29.7	28.2
Addition / (Deletion) on account of Change in Share holding of Consolidating Companies [2]	385.1	(0.3)	0.8	2.8	-	-
Share of Profit in Associates	9.3	9.9	13.1	7.1	13.1	1.5
Exchange Difference	(4.1)	-	-	-	-	-
	466.5	76.2	66.6	52.7	42.8	29.7
2. In Investment Properties	345.2	328.5	338.5	389.9	-	-
3. In Others	268.8	77.4	81.3	127.1	77.1	57.1
Short Term Investments in Mutual Funds	60.5	35.2	532.4	-	-	-
Short Term Investments in Shares	0.1	0.2	0.2	0.1	13.8	0.1
Less: Provision for Diminution	50.2	42.0	28.2	21.8	5.1	-
Total	**1090.9**	**475.5**	**990.8**	**548.0**	**128.6**	**86.9**
Book Value of Quoted Investments	3.8	0.2	0.2	0.5	25.5	25.5
Market Value of Quoted Investments*	4.9	0.9	0.8	0.5	5.9	5.9

[1] Inclusive of Goodwill purchase amounting to Rs. 8.2 million at the time of amalgamation of Motherson Consultancy Pvt. Ltd. with the Company at the appointed date of February 1, 2007.

[2] Inclusive of Goodwill on consolidation amounting to Rs. 219.8 million. (Net of exchange gain of Rs. 2.4 millions) Refer Note 7(a)(i) on Annexure V.

*Market value of investment in MothersonSumi INfotech & Designs Limited is not available as at March 31, 2007 and March 31, 2008 and hence has been considered at nil value for computing the market value of quoted investments.

Annexure IX - Restated Consolidated Statement showing details of Sundry Debtors of Samvardhana Motherson Finance Limited

Currency: Indian Rupees in Millions

Particulars	December 31, 2011	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
(Unsecured, unless otherwise stated)						
(i) Outstanding for more than six months						
Considered Good	2,223.5	179.1	286.6	759.5	35.1	22.9
Considered Doubtful	319.6	129.3	189.5	161.6	3.4	1.7
	2,543.1	308.4	476.1	921.1	38.5	24.6
Less Provision for doubtful debts	319.6	129.3	189.5	161.6	3.4	1.7
	2,223.5	179.1	286.6	759.5	35.1	22.9
(ii) Other Debts						
Considered good	14,921.3	6,634.8	5281.9	3387.8	838.1	624.7
Considered Doubtful	129.4	56.6	40.3	65.9	2.1	2.2
	15,050.7	6,691.4	5,322.2	3,453.7	840.2	626.9
Less Provision for doubtful debts	129.4	56.6	40.3	65.9	2.1	2.2
	14,921.3	6,634.8	5,281.9	3,387.8	838.1	624.7
Total	**17,144.8**	**6,813.9**	**5,568.5**	**4,147.3**	**873.2**	**647.6**
Includes Owing From:						
- Joint Venture Companies	265.5	246.0	121.2	78.1	13.3	17.1
- Associate Companies	0.1	-	0.3	0.9	-	0.3
- Entities in which Directors or Promoters* are interested	146.7	5.7	12.2	0.1	0.1	0.1
- Subsidiaries (owing to joint ventures)	3.6	9.9	1.4	0.4	0.8	2.0

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There are no amounts outstanding from directors or promoters* of the Company.

*List of promoters is as certified by the management.

Annexure X - Restated Consolidated Statement showing details of Loans & Advances of Samvardhana Motherson Finance Limited

Currency: Indian Rupees in Millions

Particulars	December 31, 2011	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
(Unsecured, unless otherwise stated)						
(i) Advances recoverable in cash or in kind or for value to be received						
Considered good	4,131.7	1,674.4	1,011.2	1,997.1	240.0	182.8
Considered doubtful	17.6	10.7	4.0	2.1	2.0	1.8
	4,149.3	1,685.1	1,015.2	1,999.2	242.0	184.6
Less: Provision for doubtful advances	17.6	10.7	4.0	2.1	2.0	1.8
	4,131.7	1,674.4	1,011.2	1,997.1	240.0	182.8
(ii) Assets Held for Sale	-	-	157.4	-	-	-
(ii) Loan to other companies	163.3	57.1	86.8	63.4	26.4	12.6
(iii) Fringe benefit tax (net)	-	-	-	-	0.5	-
(iv) Advance Tax	-	-	-	-	-	13.7
(v) Deposits with Excise, Customs & Govt Authorities	-	1,027.3	1,208.0	924.1	192.0	150.6
(vi) Interest Accrued on Fixed Deposits	1,247.7	-	-	-	-	0.8
Total	**5,542.7**	**2,758.8**	**2,463.4**	**2,984.6**	**458.9**	**360.5**
Includes Owing From:						
- Joint Venture Companies	128.7	36.1	66.5	12.3	22.0	1.5
- Associates Companies	-	20.7	0.5	-	-	-
- Entities in which Directors or Promoters* are interested	179.9	-	5.3	57.4	7.1	11.0
- Subsidiaries (owing to Joint Ventures)	10.7	54.6	44.7	42.0	-	1.6

There are no amounts outstanding from directors or promoters* of the Company.

*List of promoters is as certified by the management.

Annexure XI- Restated Consolidated Statement of Secured Loans of Samvardhana Motherson Finance Limited

Currency: Indian Rupees in Millions

Particulars	December 31, 2011	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
Working Capital Facilities & Short Term Loans						
From Banks						
-- Rupee Loan	1,560.9	1,326.8	476.6	264.5	263.2	94.1
-- Foreign currency Loan	2,369.6	738.5	488.2	819.7	33.9	67.2
From Others						
-- Rupee Loan	800.0	1,500.0	1,250.0	-	-	1.1
Long Term Loans						
From Banks						
-- Rupee Loan	703.5	679.8	613.0	202.7	15.7	49.5
-- Foreign currency Loan	27,409.5	4,976.1	4,830.7	4,003.2	649.5	42.3
From Others						
-- Rupee loan	717.0	20.6	24.4	26.8	3.1	4.5
-- Finance lease liabilities	1,598.4	96.6	118.6	166.5	-	-
-- Foreign currency Loan	180.5	8.3	22.2	-	-	-
-- Vehicle Loan	0.6	0.2	3.7	7.8	7.4	-
Interest Accrued & Due on Secured Loans	3.7	3.0	1.5	1.3	-	-
TOTAL	**35,343.7**	**9,349.9**	**7,828.9**	**5,492.5**	**972.8**	**258.7**

Refer Notes 15 and 25 on Annexure V

Annexure XIA- Statement of Principal Terms and Conditions of Restated Consolidated Secured Loans Outstanding as at December 31, 2011 of Samvardhana Motherson Finance Limited

Sr. No	Lender	Nature of Facility	Loan currency	Amount Outstanding at December 31, 2011 (Rs. Million)	Rate of Interest	Repayment Terms	Security / Principal Terms and Conditions
1	State Bank of India	Term Loan	INR	49.3	State Bank Advance Rate (SBAR) + 0.25%	Quarterly Instalments till March 2015	Secured by first charge on entire fixed assets both movable and immovable, present and future including Land & Building situated at 122, Singadivakkam-Chinnayan Chathiram Village, Attuputhur Post, Kanchipuram District in Fritzmeier Motherson Cabin Engineering Limited.
2	State Bank of India	Cash Credit	INR	25.6	Base Rate + 5%	Payable on Demand	Secured by first charge by way of hypothecation of all stocks, book debts and other current assets present and future of Fritzmeier Motherson Cabin Engineering Limited.
3	Development Credit Bank Limited	Cash Credit	INR	21.3	Base Rate + 2% (minimum 11%)	Payable on Demand	Secured by first charge by way of hypothecation of all stocks, book debts and other current assets present and future of Fritzmeier Motherson Cabin Engineering Limited.
4	Development Credit Bank Limited	Term Loan	INR	7.4	Base Rate + 2.5% (minimum 11.5%)	Payable in monthly installments from October 2011 to June 2015	Secured by first charge on entire fixed assets movable and immovable, present and future of Fritzmeier Motherson Cabin Engineering Limited.
5	Axis Bank Limited	Term Loan[1]	INR	222.4	Base rate +3%	Repayable in quarterly Instalments from From December 2012 to March 2015	Secured by exclusive first charge by way of equitable mortgage on land & project assets and exclusive first charge by way of hypothecation of all movable assets both present and future and project sale proceeds to be kept in escrow of Motherson Auto Solutions Limited. Letter of comfort by Samvardhana Motherson Finance Limited for an amount to the extent of Rs. 1000 million.
6	State Bank of India	Term Loan	INR	260.0	State Bank Advance Rate (SBAR)	Quarterly Instalments till September 2017	1) First exclusive charge over the fixed assets of the Motherson Advanced Tooling Solutions Ltd including equitable mortgage on factory land & building situated at: - Broach Division, F-2,

Sr. No	Lender	Nature of Facility	Loan currency	Amount Outstanding at December 31, 2011 (Rs. Million)	Rate of Interest	Repayment Terms	Security / Principal Terms and Conditions
							MIDC, Chikalthana, Aurangabad-431210. - Gear Cutting Tools Division, A-3, MIDC, Chikalthana, Aurangabad-431210. - Plot No. 197-201, Mithirohar Growth Center, Bachav Road, Gandhidham, Kutch, Gujrat-370201. 2) Extension of charge over the current assets of Motherson Advanced Tooling Solutions Ltd. 3) Corporate guarantee of Samvardhana Motherson Finance Ltd. for an aggregate amount of Rs. 410 milliion.
7	State Bank of India	Cash Credit	INR	77.5	State Bank Advance Rate (SBAR)	Payable on Demand	Secured by way of hypothecation on all current assets including present and future book debts and also secured by the hypothecation of entire fixed assets acquired/ to be acquired by Motherson Advanced Tooling Solutions Limited. The Company (SMFL) has given a corporate guarantee for an aggregate amount of Rs. 410 million.
8	Yes Bank Limited	Working Capital Demand Loan	INR	10.0	12.50%	Payable in January 2012	1) Exclusive charge on the fixed and current assets of the Motherson Climate System Ltd. 2) Unconditional and Irrevocable corporate guarantee by Samvardhana Motherson Finance Ltd. for an agreegate amount of Rs. 200 million.
9	Yes Bank Limited	Working Capital Demand Loan	INR	4.0	13.25%	Payable in March 2012	1) Exclusive charge on the fixed and current assets of the Motherson Climate System Ltd. 2) Unconditional and Irrevocable corporate guarantee by Samvardhana Motherson Finance Ltd. for an aggregate amount of Rs. 200 million.
10	Yes Bank Limited	Working Capital Demand Loan	INR	6.0	12.50%	Payable in January 2012	1) Exclusive charge on the fixed and current assets of the Motherson Climate System Ltd.

Sr. No	Lender	Nature of Facility	Loan currency	Amount Outstanding at December 31, 2011 (Rs. Million)	Rate of Interest	Repayment Terms	Security / Principal Terms and Conditions
							2) Unconditional and Irrevocable corporate guarantee by Samvardhana Motherson Finance Ltd. for an aggregate amount of Rs. 200 million.
11	Yes Bank Limited	Working Capital Demand Loan	INR	2.5	13.25%	Payable in March 2012	1) Exclusive charge on the fixed and current assets of the Motherson Climate System Ltd. 2) Unconditional and Irrevocable corporate guarantee by Samvardhana Motherson Finance Ltd. for an aggregate amount of Rs. 200 million.
12	Yes Bank Limited	Working Capital Demand Loan	INR	2.5	12.75%	Payable in January 2012	1) Exclusive charge on the fixed and current assets of the Motherson Climate System Ltd. 2) Unconditional and Irrevocable corporate guarantee by Samvardhana Motherson Finance Ltd. for an aggregate amount of Rs. 200 million.
13	Yes Bank Limited	Working Capital Demand Loan	INR	2.5	13.50%	Payable in May 2012	1) Exclusive charge on the fixed and current assets of the Motherson Climate System Ltd. 2) Unconditional and Irrevocable corporate guarantee by Samvardhana Motherson Finance Ltd. for an aggregate amount of Rs. 200 million.
14	Yes Bank Limited	Working Capital Demand Loan	INR	15.0	13.00%	Payable in February 2012	1) Exclusive charge on the fixed and current assets of the Motherson Climate System Ltd. 2) Unconditional and Irrevocable corporate guarantee by Samvardhana Motherson Finance Ltd. for an aggregate amount of Rs. 200 million.
15	Yes Bank Limited	Working Capital Demand Loan	INR	2.0	13.75%	Payable in June 2012	1) Exclusive charge on the fixed and current assets of the Motherson Climate System Ltd. 2) Unconditional and Irrevocable corporate guarantee by Samvardhana Motherson Finance Ltd. for an aggregate amount of Rs. 200 million.

Sr. No	Lender	Nature of Facility	Loan currency	Amount Outstanding at December 31, 2011 (Rs. Million)	Rate of Interest	Repayment Terms	Security / Principal Terms and Conditions
16	Yes Bank Limited	Working Capital Demand Loan	INR	3.0	13.25%	Payable in March 2012	1) Exclusive charge on the fixed and current assets of the Motherson Climate System Ltd. 2) Unconditional and Irrevocable corporate guarantee by Samvardhana Motherson Finance Ltd. for an aggregate amount of Rs. 200 million.
17	Yes Bank Limited	Working Capital Demand Loan	INR	2.5	13.25%	Payable in April 2012	1) Exclusive charge on the fixed and current assets of the Motherson Climate System Ltd. 2) Unconditional and Irrevocable corporate guarantee by Samvardhana Motherson Finance Ltd. for an aggregate amount of Rs. 200 million.
18	Yes Bank Limited	Buyer's Credit	USD	6.4	Libor + 2%	Payable in March 2012	1) Exclusive charge on the fixed and current assets of the Motherson Climate System Ltd. 2) Unconditional and Irrevocable corporate guarantee by Samvardhana Motherson Finance Ltd. for an aggregate amount of Rs. 200 million.
19	Yes Bank Limited	Buyer's Credit	USD	7.6	Libor + 0.95%	Payable in March 2012	1) Exclusive charge on the fixed and current assets of the Motherson Climate System Ltd. 2) Unconditional and Irrevocable corporate guarantee by Samvardhana Motherson Finance Ltd. for an aggregate amount of Rs. 200 million.
20	Yes Bank Limited	Buyer's Credit	USD	7.1	Libor + 1.2%	Payable in January 2012	1) Exclusive charge on the fixed and current assets of the Motherson Climate System Ltd. 2) Unconditional and Irrevocable corporate guarantee by Samvardhana Motherson Finance Ltd. for an aggregate amount of Rs. 200 million.
21	Yes Bank Limited	Buyer's Credit	USD	11.8	Libor + 1.75%	Payable in May 2012	1) Exclusive charge on the fixed and current assets of the Motherson Climate System Ltd. 2) Unconditional and Irrevocable corporate

Sr. No	Lender	Nature of Facility	Loan currency	Amount Outstanding at December 31, 2011 (Rs. Million)	Rate of Interest	Repayment Terms	Security / Principal Terms and Conditions
							guarantee by Samvardhana Motherson Finance Ltd. for an aggregate amount of Rs. 200 million.
22	Yes Bank Limited	Buyer's Credit	USD	5.7	Libor + 2%	Payable in March 2012	1) Exclusive charge on the fixed and current assets of the Motherson Climate System Ltd. 2) Unconditional and Irrevocable corporate guarantee by Samvardhana Motherson Finance Ltd. for an aggregate amount of Rs. 200 million.
23	Yes Bank Limited	Buyer's Credit	USD	7.7	Libor + 2%	Payable in May 2012	1) Exclusive charge on the fixed and current assets of the Motherson Climate System Ltd. 2) Unconditional and Irrevocable corporate guarantee by Samvardhana Motherson Finance Ltd. for an aggregate amount of Rs. 200 million.
24	State Bank of India	Term Loan	INR	2.5	13.75%	Quarterly installment till January 2012	Secured by first charge on the fixed assets both present and future and equitable mortgage of land and building situated at C-26,Sector 62, Noida, UP, India of Mothersonsumi Infotech & Designs Limited.
25	State Bank of India	Cash Credit	INR	71.1	State Bank Advance Rate (SBAR) + 1.50%	Payable on Demand	Secured by first charge by way of hypothecation of entire current assets of Motherson Sumi Infotech & Design Limited including present and future book debts/receivables, stock of raw materials, work in progress, finished goods, stores and spares and Equitable Mortgage of Land & Building situated at C-26, Sector 62, Noida, UP, India.
26	Yes Bank Ltd	Cash Credit	INR	77.5	Base Rate + 3.5%	Payable on Demand	Secured by way of charge on all moveable and immoveable fixed assets and all current assets, both present and future of Motherson Zanotti Refrigeration System Ltd and covered by letter of comfort by the Company for an amount of RS. 200 million.
27	Axis Bank Limited	Cash Credit	INR	0.3	Base Rate + 3.25%	Payable on Demand	1) Hypothecation of inventory, Debtor and moveable property of

Sr. No	Lender	Nature of Facility	Loan currency	Amount Outstanding at December 31, 2011 (Rs. Million)	Rate of Interest	Repayment Terms	Security / Principal Terms and Conditions
							Spheros Motherson Thermal System Ltd. 2) Corporate Guarantee given by Samvardhana Motherson Finance Ltd. for an amount of Rs. 33 million.
28	Axis Bank Limited	Cash Credit	INR	3.1	Base Rate + 1.75%	Payable on Demand	Secured by first hypothecation charge on entire current assets both present & future and collaterally secured by (i) first hypothecation charge on all moveable fixed assets both present and future, except vehicle and (ii) Equitable mortgage of Land and Building located at Plot no. 9A, Block A, Sector 16, Noida, UP, India in Motherson Techno Tools Limited.
29	Axis Bank Limited	Cash Credit	INR	2.8	Base Rate + 3.50%	Payable on Demand	Secured by way of hypothecation on stock & book debts of Nachi Motherson Tool Technology Limited.
30	Axis Bank Limited	Cash Credit	INR	3.8	Base Rate +2.75%	Payable on Demand	First exclusive charge over entire movable fixed assets and entire current assets of the Nachi Motherson Precision Limited.
31	Axis Bank Limited	Term Loan	INR	4.9	Base Rate + 3%	Quarterly installment till March 2015	First exclusive charge over entire movable fixed assets and entire current assets of the Nachi Motherson Precision Limited.
32	Axis Bank Limited	Term Loan	INR	32.8	Base Rate + 3.25%	Quarterly installment till March 2015	Secured by first charge by way of hypothecation of the entire existing and future movable fixed assets and first charge by way of hypothecation of all the existing and future current assets of Motherson Molds & Diecasting Limited and also Equitable Mortgage over land and building located at Tambram, Chennai belonging to Motherson Air Travel Agencies and by way of corporate guarantee of Motherson Air Travel Agencies Ltd. & CTM India Limited for an amount of Rs. 54.3 million.
33	JM Financial Products Limited	Loan against shares	INR	500.0	13.00%	One time payment in	Pledge of 10,000,000 equity shares held in Motherson

Sr. No	Lender	Nature of Facility	Loan currency	Amount Outstanding at December 31, 2011 (Rs. Million)	Rate of Interest	Repayment Terms	Security / Principal Terms and Conditions
						September 2012	Sumi Systems Limited with atleaset 60% margin.
34	JM Financial Products Limited	Loan against shares	INR	100.0	13.00%	One time payment in September 2012	Pledge of 2,000,000 equity shares held in Motherson Sumi Systems Limited with atleast 60% margin.
35	Citicorp Finance (India) Limited	Loan against shares	INR	200.0	14.00%	One time payment in December 2012	Pledge of 3,200,000 equity shares held in Motherson Sumi Systems Limited with atleast 50% margin calculated on marked to market daily basis. Personal guarantee of Promoter (Director).
36	Kotak Mahindra Investments Limited	Loan against shares	INR	200.0	13.35%	One time payment in February 2013 with put/call option in February 2012	Pledge of 3,800,000 equity shares held in Motherson Sumi Systems Limited with atleast 50% margin based on previous day closing after a hair cut of 10%.
37	L & T Finance Limited	Loan against shares	INR	250.0	12.25%	One time payment in March 2013 with put/call option in March 2012	Pledge of 4,000,000 equity shares held in Motherson Sumi Systems Limited with atleast 50% margin based previous day closing.
38	Aditya Birla Finance Limited	Loan against shares	INR	250.0	12.75%	One time payment in March 2013 with put/call option in September 2012	Pledge of 4,000,000 equity shares held in Motherson Sumi Systems Limited with atleast 50% margin based on lower of current market price or 6 months average.
39	ICICI Bank UK	Term Loan	USD	796.5	6 month USD Libor + 4%	One time Payment in December 2012	1) Coprorate Guarantee of Samvardhana Motherson Finance Ltd. for an amount of USD 16 million (MINR 849.60) backed by the non disposal undertaking over 16,500,000 equity shares of Motherson Sumi Systems Limited for Samvardhana Motherson Finance Services Cyprus Ltd. 2) Secured by charge over cash and cash equivalents maintained in ICICI UK plc. 3) Personal guarantee of promoter.
40	ICICI Bank UK	Term Loan	GBP	1,158.5	6 month GBP Libor + 4%	One time Payment in March 2013	1) Coprorate Guarantee of Samvardhana Motherson Finance Ltd. for an amount of GBP 15.532 million (MINR 1281.20) backed by the non disposal undertaking over the 23,100,000 equity shares of Motherson Sumi Systems Limited for

Sr. No	Lender	Nature of Facility	Loan currency	Amount Outstanding at December 31, 2011 (Rs. Million)	Rate of Interest	Repayment Terms	Security / Principal Terms and Conditions
							Samvardhana Motherson Holding (M) Ltd. 2) Secured by charge over cash and cash equivalents maintained in ICICI UK plc. 3) Personal guarantee of promoter.
41	Axis Bank Limited	Term Loan-I[2]	INR	79.1	Base Rate + 3.75%	Quarterly installment till March 2014	Secured by first charge on all the fixed assets, both present and future & second charge on all the current assets, both present and future of Magneti Marelli Motherson Auto System Limited. In addition, the Samvardhana Motherson Finance Services Cyprus Limited and Magneti Marelli Holding S.p.A have provided a letter of comfort for an aggregate amount of RS. 500 million.
42	Axis Bank Limited	Term Loan-II	INR	23.7	Base Rate + 3.75%	Quarterly installment till July 2015	Secured by first charge on all the fixed assets, both present and future & second charge on all the current assets, both present and future of Magneti Marelli Motherson Auto System Limited. In addition, the Samvardhana Motherson Finance Services Cyprus Limited and Magneti Marelli Holding S.p.A have provided a letter of comfort for an aggregate amount of RS. 500 million.
43	Axis Bank Limited	Term Loan-III	INR	25.1	Base Rate + 4.25%	Quarterly installment till September 2015	Secured by first charge on all the fixed assets, both present and future & second charge on all the current assets, both present and future of Magneti Marelli Motherson Auto System Limited. In addition, the Samvardhana Motherson Finance Services Cyprus Limited and Magneti Marelli Holding S.p.A have provided a letter of comfort for an aggregate amount of RS. 500 million.
44	Axis Bank Limited	Cash Credit	INR	47.7	Base Rate + 4.00%	Payable on demand	Secured by first charge on all the current assets, both present and future & second charge on the fixed assets, both present and future of Magneti Marelli Motherson Auto System Limited and Samvardhana Motherson

Sr. No	Lender	Nature of Facility	Loan currency	Amount Outstanding at December 31, 2011 (Rs. Million)	Rate of Interest	Repayment Terms	Security / Principal Terms and Conditions
							Finance Services Cyprus Limited has provided the bank a letter of comfort against the borrowings for an aggregate amount of RS. 500 million.
45	State Bank of India	Cash Credit	INR	831.4	Base Rate + 3%	Payable on demand	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 Motherson Sumi Systems Limited.
46	ICICI Bank Limited	Cash Credit	INR	52.8	Base Rate + 1.95%	Payable on demand	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 Motherson Sumi Systems Limited.
47	Axis Bank Limited	Cash Credit	INR	20.9	Base Rate + 2%	Payable on demand	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 Motherson Sumi Systems Limited.
48	Citi Bank	Cash Credit	INR	64.9	11%	Payable on demand	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 Motherson Sumi Systems Limited.
49	HDFC Bank Limited	Cash Credit	INR	25.8	12%	Payable on demand	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 Motherson Sumi Systems Limited.
50	HSBC Bank Limited	Cash Credit	INR	108.6	Base Rate + 8.5%	Payable on demand	Secured by first charge by way of hypothecation of all present and future stocks, book debts and other specified moveable assets

Sr. No	Lender	Nature of Facility	Loan currency	Amount Outstanding at December 31, 2011 (Rs. Million)	Rate of Interest	Repayment Terms	Security / Principal Terms and Conditions
							and second charge by way of hypothecation of all present and future immoveable property of Motherson Sumi Systems Limited.
51	Bank of Tokyo	Packing Credit Foreign Currency Loan	USD	95.9	Libor + 1.05%	Payable with in 6 months	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 Motherson Sumi Systems Limited.
52	Citi Bank	Packing Credit Foreign Currency Loan	USD	88.6	Libor + 1.60%	Payable with in 6 months	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 Motherson Sumi Systems Limited.
53	State Bank of India	Buyer's Credit	USD	33.9	Libor + 1%-3%	Payable with in 3-6 months	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 Motherson Sumi Systems Limited.
54	State Bank of India	Buyer's Credit	EUR	(0.0)	Euribor +1%-2%	Payable with in 3-6 months	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 Motherson Sumi Systems Limited.
55	HDFC Bank Limited	Buyer's Credit	USD	4.3	Libor + 2%	Payable in 6 months	Secured by first charge by way of hypothecation of stocks, book debts and other specified moveable assets and second charge by way of hypothecation of immoveable property of Motherson Sumi Systems Ltd.
56	DBS Bank Limited	External Commercial Borrowing	USD	839.7	3 month US$ Libor + 2%	Payable in 16 quarterly instalments till September 2015	Secured by first pari-passu charge on moveable and immoveable properties of Motherson Sumi Systems Ltd and second pari-passu charge on the entire current assets. These are also

Sr. No	Lender	Nature of Facility	Loan currency	Amount Outstanding at December 31, 2011 (Rs. Million)	Rate of Interest	Repayment Terms	Security / Principal Terms and Conditions
							secured by way of deposit of title deeds of specified properties of Motherson Sumi Systems Limited.
57	Citi Bank	External Commercial Borrowing	JPY	202.6	6 month JPY Libor + 1%	Payable in half yearly instalments till March 2014	Secured by first pari-passu charge on moveable and immoveable properties of Motherson Sumi Systems Ltd. These are also secured by way of deposit of title deeds of specified properties.
58	Japan Bank for International Coopration	External Commercial Borrowing	USD	306.9	3 month US$ Libor + 0.375%	Payable in half yearly instalments till July 2015	Secured by first pari-passu charge on moveable and immoveable properties of Motherson Sumi Systems Ltd. These are also secured by way of deposit of title deeds of specified properties.
59	HSBC Bank Mauritius Limited	External Commercial Borrowing	USD	287.7	6 month US$ Libor + 2.10%	Payable in half yearly instalments till February 2018	Secured by first pari-passu charge on moveable and immoveable properties of Motherson Sumi Systems Ltd and second pari-passu charge on the entire current assets. These are also secured by way of deposit of title deeds of specified properties of Motherson Sumi Systems Limited.
60	Noida Authority	Term Loan	INR	17.0	11%	Payable in half yearly instalments till December 2015	Secured against land acquired from NOIDA authority under instalment plan belonging to Motherson Sumi Systems Ltd.
61	Maruti Udyog Limited	Vehicle Loan	INR	0.6	8%	Payble in monthly instalments	Secured by hypothecation of specific vehicles.
62	State Bank of India	Term Loan	EUR	1,170.2	3 month Euribor + 3.5%	One time payment in August 2013	Covered by Corporate guarantees issued by Motherson Sumi Systems Limited and the Company (SMFL) for an amount of Euro 10.2 million and Euro 9.8 million respectively and secured by a) primary security of first pari passu charge/assignment of all receivable 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.

Sr. No	Lender	Nature of Facility	Loan currency	Amount Outstanding at December 31, 2011 (Rs. Million)	Rate of Interest	Repayment Terms	Security / Principal Terms and Conditions
							b) A pari passu first charge on all the moveable (Including receivables), 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.
63	Export Import Bank of India	Term Loan	USD	331.0	3 month US$ Libor + 5%	One time payment in September 2012	Covered by Corporate guarantees issued by Motherson Sumi Systems Limited and the secured by a) primary security of first pari passu charge/assignment of all receivable 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. b) A pari passu first charge on all the moveable (Including receivables), 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.
64	HDFC Bank Limited	Term Loan	EUR	585.1	3 month Euribor + 3.5%	One time payment in August 2012	Covered by Corporate guarantees issued by Motherson Sumi Systems Limited and the secured by a) primary security of first pari passu charge/assignment of all receivable 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.

Sr. No	Lender	Nature of Facility	Loan currency	Amount Outstanding at December 31, 2011 (Rs. Million)	Rate of Interest	Repayment Terms	Security / Principal Terms and Conditions
							b) A pari passu first charge on all the moveable (Including receivables), 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.
65	ING Bank Hungary	Working Capital	EUR	27.7	EONIA + 1.45 (EONIA – Euro OverNight Index Average)	Repayable on Demand	Pledge over the Paint Shop (at Plant 1 of SMR Automotive Mirror Technology Hungary Bt) and movables inventories of SMR Automotive Mirror Technology Hungary Bt and Corporate Guarantee of Samvarhana Motherson Reflectec Group Holdings Limited.
66	ING Bank Hungary	Term Loan	EUR	506.9	3 month EURIBOR + 2.25%	Repayable in monthly installments till August 2016	Secured by first rank mortgage right on the specified assets of SMR Automotive Mirror Technology Hungary Bt. and Corporate Guarantee of Samvarhana Motherson Reflectec Group Holdings Limited.
67	Unicredit Hungary	Working Capital	EUR	89.1	1 month EURIBOR + 2.25%	Repayable on Demand	Pledge over the Paint Shop (at Plant 1 of SMR Automotive Mirror Technology Hungary Bt) and movables inventories of SMR Automotive Mirror Technology Hungary Bt and Corporate Guarantee of Samvarhana Motherson Reflectec Group Holdings Limited.
68	CITI Bank	Working Capital Loan	INR	37.0	11.00%	Payable on demand	Secured by first pari-passu charge both present and future on all current assets of SMR Automotive Systems India Limited (SASIL) to secure funded and non funded working capital facilities.
69	Standard Chartered Bank	Working Capital Loan	INR	4.2	12.75%	Payable on demand	Secured by first pari-passu charge both present and future on all current assets of SMR Automotive Systems India Limited (SASIL) to secure funded and non funded working capital facilities.
70	HDFC Bank	Working	INR	21.4	11.25%	Payable on	Secured by first pari-passu

Sr. No	Lender	Nature of Facility	Loan currency	Amount Outstanding at December 31, 2011 (Rs. Million)	Rate of Interest	Repayment Terms	Security / Principal Terms and Conditions
		Capital Loan				demand	charge both present and future on all current assets of SMR Automotive Systems India Limited (SASIL) to secure funded and non funded working capital facilities.
71	BNP Paribas Factor	Factoring	EUR	68.4	Euribor + 0.9%	Payable on demand	Secured by debtors of SMR Automotive Systems France S.A.
72	Compagnie Generale D'affacturage	Factoring	EUR	243.9	EONIA + 0.6% (EONIA – Euro OverNight Index Average)	Payable on demand	Secured by debtors of SMR Automotive Systems France S.A.
73	Bankinter	Working Capital	EUR	114.3	EURIBOR + 2.75	Payable on demand	Pledge over the Paint Shop at SMR Automotive Systems Spain S.A.U
74	Bankinter	Term Loan	EUR	111.5	5.39%	Repayable in 5 years after 2 years moratorium. Last payment 25/09/2018	Secured by mortgage on the plant at SMR Automotive Systems Spain S.A.U
75	Coviar Seguridad SL	Finance Lease	EUR	0.6	2.94%	Repayment at various monthly installments as per repayment schedule ending on June 2012	Asset taken on lease in SMR Automotive Systems France S.A.
76	BBVA Bancomer	Working Capital	USD	90.4	Libor + 3.95%	90 days	Secured by the mortgage of the Building at SMR Automotive Vision Systems Mexico S.A. de C.V
77	Agricultural Bank of China	Working Capital	CNY	143.6	4.30%	One time Repayment on 14th June 2013	Secured by way of mortgage over land & property of Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd.
78	TMB Bank Public Company Limited	Working Capital	THB	1.2	6.25%	Payable on demand	Secured by mortgage of land and machinery at SMR Automotive System (Thailand) Ltd. and additionally by Corporate guarantee of Samvardhana Motherson Reflectec Group Holdings Limited.
79	TMB Bank Public Company Limited	Term Loan	THB	109.3	6.25%	Repayable in various monthly instalments, last payment on August 2017	Secured by mortgage of land and machinery at SMR Automotive System (Thailand) Ltd. and additionally by Corporate guarantee of Samvardhana Motherson Reflectec Group Holdings Limited.
80	JPMorgan Chase	Working Capital	USD	0.1	3.75%	Payable on demand	Pledge over receivables and inventory of SMR

Sr. No	Lender	Nature of Facility	Loan currency	Amount Outstanding at December 31, 2011 (Rs. Million)	Rate of Interest	Repayment Terms	Security / Principal Terms and Conditions
							Automotive Mirror International USA Inc
81	Talmer Bank	Finance Lease	USD	77.3	6.13%	Repayment at various monthly installments as per repayment schedule ending on Jan 2016	Asset taken on lease in SMR Automotive System Spain S.A.U
82	Talmer Bank	Finance Lease	USD	13.7	6.82%	Repayment at various monthly installments as per repayment schedule ending on Oct 2015	Asset taken on lease in SMR Automotive System Spain S.A.U
83	NMHG Financial Services	Finance Lease	USD	0.2	10.00%	Repayment at various monthly installments as per repayment schedule ending on Aug 2012	Asset taken on lease in SMR Automotive System Spain S.A.U
84	AT&T Capital	Finance Lease	USD	0.7	10.00%	Repayment at various monthly installments as per repayment schedule ending on May 2013	Asset taken on lease in SMR Automotive System Spain S.A.U
85	HP Financial Services	Finance Lease	USD	1.9	10.00%	Repayment at various monthly installments as per repayment schedule ending on Feb 2013	Asset taken on lease in SMR Automotive System Spain S.A.U
86	Marlin Leasing	Finance Lease	USD	0.2	10.00%	Repayment at various monthly installments as per repayment schedule ending on Sept 2015	Asset taken on lease in SMR Automotive System Spain S.A.U
87	State Bank of India	Cash Credit	INR	13.2	Base Rate + 5%	Payable on demand	1) First charge on the current assets both present and future of MSSL Global Wiring Limited (now a division of MSSL)[@] 2) First charge over the fixed assets both present and future of MSSL Global Wiring Limited (now a division of MSSL).[@]
88	National Australia	NAB business	AUD	15.7	Weighted	Payable in half	Secured by fixed and

Sr. No	Lender	Nature of Facility	Loan currency	Amount Outstanding at December 31, 2011 (Rs. Million)	Rate of Interest	Repayment Terms	Security / Principal Terms and Conditions
	Bank	markets-Flexible Rate Loan			average of interest rates applicable to each of the business markets facility components	yearly installments till December 2013	floating charge over all of the present and future rights, property and undertaking of MSSL Australia Pty Ltd, Motherson Elastomers Pty Limited & Motherson Investments Pty Limited and registered mortgage over property situated at 48-86 Powell Street Bendigo VIC, Australia and Unit-5, 18-22 Lexia Place Mulgrave VIC, Australia.
89	National Australia Bank	NAB business markets-Flexible Rate Loan	AUD	11.8	Weighted average of interest rates applicable to each of the business markets facility components	Payable in half yearly installments till December 2013	Secured by fixed and floating charge over all of the present and future rights, property and undertaking of MSSL Australia Pty Ltd, Motherson Elastomers Pty Limited & Motherson Investments Pty Limited, subsidiaries of Motherson Sumi Systems Limited and registered mortgage over property situated at 48-86 Powell Street Bendigo VIC, Australia and Unit-5, 18-22 Lexia Place Mulgrave VIC, Australia.
90	Kreissparkasse Tuttlingen	Term loan	EUR	8.6	5.80%	Payable in monthly installments till December 2014	Pledge of plant & machinery of Samvardhana Motherson Invest Deutschland GmbH
91	UniCredit Bank - Investment loan Machines (Borrower MSP CZ)	Term loan	EUR	16.0	4.93%	Repayable in monthly installments of EUR 10.667	Secured by pledge over Second grade mortgage of land and building and a lien on injection molding machines of MSSL Advanced Polymers s.r.o.
92	Kreissparkasse Tuttlingen	Term loan	EUR	2.2	5.30%	Payable in monthly installments till April 2015	Pledge of plant & machinery of Samvardhana Motherson Invest Deutschland GmbH
93	UniCredit Bank - Overdraft Facility	Multipurpose Loan	CZK	18.1	Euribor + a) 2.95% (if EBT -ve) b) 2.45% (if EBT +ve) c) 1.95% (if EBT >CZK 2mio)	Payable tilll June 2012	Secured by pledge of land and building , customer receivables and subodination of intercompany loan of group company of Motherson Advanced Polymer S.R.O.
94	Standard Bank	Term Loan	ZAR	0.2	11.25%	Equal payments of ZAR 20 000 p.m.	Cesssion of debtors book of Vacuform 2000 Pty Ltd.
95	Industrial Development Corporation of South Africa	Working Capital Finance	ZAR	2.5	12%	60 months	Secured by General Notarial Bond on Assets of Vacuform 2000 Pty Ltd.
96	Industrial	Asset finance	ZAR	4.2	11.50%	60 months	Secured by General Notarial

Sr. No	Lender	Nature of Facility	Loan currency	Amount Outstanding at December 31, 2011 (Rs. Million)	Rate of Interest	Repayment Terms	Security / Principal Terms and Conditions
	Development Corporation of South Africa						Bond on Assets of Vacuform 2000 Pty Ltd.
97	Industrial Development Corporation of South Africa	Working Capital Finance	ZAR	3.7	11%	60 months	Secured by General Notarial Bond on Assets of Vacuform 2000 Pty Ltd.
98	Industrial Development Corporation of South Africa	Asset finance	ZAR	7.5	11%	60 months	Secured by General Notarial Bond on Assets of Vacuform 2000 Pty Ltd.
99	Industrial Development Corporation of South Africa	Asset finance	ZAR	12.3	7.50%	60 months	Secured by General Notarial Bond on Assets of Vacuform 2000 Pty Ltd.
100	Industrial Development Corporation of South Africa	Asset finance	ZAR	1.3	9%	60 months	Secured by General Notarial Bond on Assets of Vacuform 2000 Pty Ltd.
101	Industrial Development Corporation of South Africa	Asset finance	ZAR	2.7	9%	61 months	Secured by General Notarial Bond on Assets of Vacuform 2000 Pty Ltd.
102	Investec	Mortgage Bond	ZAR	0.7	8.50%	60 months	Secured by mortgage bond on land and buildings of Vacuform 2000 Pty Ltd.
103	Standard Bank	Vehicle finance	ZAR	(0.0)	N/a	N/a	Suspensive sale on moveable assets of Vacuform 2000 Pty Ltd.
104	Standard Bank	Vehicle finance	ZAR	(0.0)	N/a	N/a	Suspensive sale on moveable assets of Vacuform 2000 Pty Ltd.
105	Standard Bank	Asset finance	ZAR	1.6	9%	60 months	Suspensive sale on moveable assets of Vacuform 2000 Pty Ltd.
106	Standard Bank	Vehicle finance	ZAR	0.5	10%	60 months	Suspensive sale on moveable assets of Vacuform 2000 Pty Ltd.
107	Syndicated Loan (ICICI Bank acting as agent)	Term loan	USD	172.2	3 month USD LIBOR + 3.25%	Repayable as per repayment schedule on quarterly basis starting from August 2012	First priority pari-passu charge over all assets of the Forgu GmbH and Samvardhana Motherson B.V. (except pledge over shares of Peguform Mexico S.A.de C.V., SMP Deutschland GmbH (formerly Peguform GmbH) and Peguform Iberica S.L); Pledge over shares of the Forgu GmbH and Samvardhana Motherson B.V. ; Second charge over assets of SMP Deutschland GmbH (formerly Peguform GmbH) and all its German subsidiaries. Corporate Guarantee of

Sr. No	Lender	Nature of Facility	Loan currency	Amount Outstanding at December 31, 2011 (Rs. Million)	Rate of Interest	Repayment Terms	Security / Principal Terms and Conditions
							Motherson Sumi Systems Limited for an aggregate amount of USD equivalent of EUR 106.7 million
108	Syndicated Loan (ICICI Bank acting as agent)	Term loan	USD	165.5	3 month USD LIBOR + 3.50%	Repayable as per repayment schedule on yearly basis starting from November 2013	First priority pari-passu charge over all assets of the Forgu GmbH and Samvardhana Motherson B.V. (except pledge over shares of Peguform Mexico S.A.de C.V., SMP Deutschland GmbH (formerly Peguform GmbH) and Peguform Iberica S.L); Pledge over shares of the Forgu GmbH and Samvardhana Motherson B.V. ; Second charge over assets of SMP Deutschland GmbH (formerly Peguform GmbH) and all its German subsidiaries. Corporate Guarantee of Samvardhana Motherson Finance Limited for an aggregate amount of USD equivalent of EUR 102.3 million
109	Syndicated Loan (ICICI Bank acting as agent)	Term loan	USD	3,601.2	3 month USD LIBOR + 3.25%	Repayable as per repayment schedule on quarterly basis starting from August 2012	First priority pari-passu charge over all assets of the Forgu GmbH and Samvardhana Motherson B.V. (except pledge over shares of Peguform Mexico S.A.de C.V., SMP Deutschland GmbH (formerly Peguform GmbH) and Peguform Iberica S.L); Pledge over shares of the Forgu GmbH and Samvardhana Motherson B.V. ; Second charge over assets of SMP Deutschland GmbH (formerly Peguform GmbH) and all its German subsidiaries. Corporate Guarantee of Motherson Sumi Systems Limited for an aggregate amount of USD equivalent of EUR 106.7 million
110	Syndicated Loan (ICICI Bank acting as agent)	Term loan	USD	3,459.9	3 month USD LIBOR + 3.50%	Repayable as per repayment schedule on	First priority pari-passu charge over all assets of the Forgu GmbH and

Sr. No	Lender	Nature of Facility	Loan currency	Amount Outstanding at December 31, 2011 (Rs. Million)	Rate of Interest	Repayment Terms	Security / Principal Terms and Conditions
						yearly basis starting from November 2013	Samvardhana Motherson B.V. (except pledge over shares of Peguform Mexico S.A.de C.V., SMP Deutschland GmbH (formerly Peguform GmbH) and Peguform Iberica S.L); Pledge over shares of the Forgu GmbH and Samvardhana Motherson B.V. ; Second charge over assets of SMP Deutschland GmbH (formerly Peguform GmbH) and all its German subsidiaries. Corporate Guarantee of Samvardhana Motherson Finance Limited for an aggreegate amount of USD equivalent of EUR 102.3 million
111	Syndicated Loan (ICICI Bank acting as agent)	Term loan	USD	1,784.9	3 month USD LIBOR + 3.25%	Repayable as per repayment schedule on quarterly basis starting from August 2012	First priority pari-passu charge over all assets of the Forgu GmbH and Samvardhana Motherson B.V. (except pledge over shares of Peguform Mexico S.A.de C.V., SMP Deutschland GmbH (formerly Peguform GmbH) and Peguform Iberica S.L); Pledge over shares of the Forgu GmbH and Samvardhana Motherson B.V. ; Second charge over assets of SMP Deutschland GmbH (formerly Peguform GmbH) and all its German subsidiaries. Corporate Guarantee of Motherson Sumi Systems Limited for an aggreegate amount of USD equivalent of EUR 106.7 million
112	Syndicated Loan (ICICI Bank acting as agent)	Term loan	USD	1,714.9	3 month USD LIBOR + 3.50%	Repayable as per repayment schedule on yearly basis starting from November 2013	First priority pari-passu charge over all assets of the Forgu GmbH and Samvardhana Motherson B.V. (except pledge over shares of Peguform Mexico S.A.de C.V., SMP Deutschland GmbH (formerly Peguform GmbH) and Peguform Iberica S.L);

Sr. No	Lender	Nature of Facility	Loan currency	Amount Outstanding at December 31, 2011 (Rs. Million)	Rate of Interest	Repayment Terms	Security / Principal Terms and Conditions
							Pledge over shares of the Forgu GmbH and Samvardhana Motherson B.V. ; Second charge over assets of SMP Deutschland GmbH (formerly Peguform GmbH) and all its German subsidiaries. Corporate Guarantee of Samvardhana Motherson Finance Limited for an aggreegate amount of USD equivalent of EUR 102.3 million
113	Syndicated Loan (ICICI Bank acting as agent)	Term loan	EUR	4,680.7	3 months EURIBOR + 3.75 % p.a.	Repayable as per repayment schedule on quarterly basis until 11/2017	First ranking security interest over all assets ((including brands, patents, intangibles, investments in group companies)) of the SMP Deutschland GmbH (formerly Peguform GmbH) and Peguform Iberica S.L, Samvardhana Motherson B.V, Forgu GmbH, Peguform Module Division Iberica Cockpits S.L.U., SMP Automotive Solutions Personalleasings GmbH (formerly Peguform Personalleasing GmbH), Peguform Mexico S.A. DE C.V. and Peguform Do Brasil Ltda; First and exclusive charge over all the current assets of the SMP Deutschland GmbH (formerly Peguform GmbH) and Peguform Iberica S.L and their subsidiaries Pledge over 80% shareholding acquired of SMP Deutschland GmbH (formerly Peguform GmbH) and Peguform Iberica S.L. Negative lien over 50% shares of Chanchun Peguform Automotive Plastics Technology Co. Ltd
114	Syndicated Loan (ICICI Bank acting as agent)	Revolver Loan	EUR	3,510.5	EURIBOR + 3.55 % p.a.	Repayable in November 2016	First ranking security interest over all assets ((including brands, patents, intangibles, investments in group companies)) of the SMP Deutschland GmbH (formerly Peguform GmbH)

Sr. No	Lender	Nature of Facility	Loan currency	Amount Outstanding at December 31, 2011 (Rs. Million)	Rate of Interest	Repayment Terms	Security / Principal Terms and Conditions
							and Peguform Iberica S.L, Samvardhana Motherson B.V, Forgu GmbH, Peguform Module Division Iberica Cockpits S.L.U., SMP Automotive Solutions Personalleasings GmbH (formerly Peguform Personalleasing GmbH), Peguform Mexico S.A. DE C.V. and Peguform Do Brasil Ltda; First and exclusive charge over all the current assets of the SMP Deutschland GmbH (formerly Peguform GmbH) and Peguform Iberica S.L and their subsidiaries Pledge over 80% shareholding acquired of SMP Deutschland GmbH (formerly Peguform GmbH) and Peguform Iberica S.L. Negative lien over 50% shares of Chanchun Peguform Automotive Plastics Technology Co. Ltd
115	CommerzReal Asset	Finance Lease	EUR	1,446.7	between 4.51% - 7.25 % (fixed)	Quarterly Repayments	All leased assets as security of SMP Deutschland GmbH (formerly Peguform GmbH)
116	Syndicated Loan (ICICI Bank acting as agent)	Term loan	EUR	1,872.3	3 months EURIBOR + 3.75 % p.a.	Repayable as per repayment schedule on quarterly basis until 11/2017	First ranking security interest over all assets ((including brands, patents, intangibles, investments in group companies)) of the SMP Deutschland GmbH (formerly Peguform GmbH) and Peguform Iberica S.L, Samvardhana Motherson B.V, Forgu GmbH, Peguform Module Division Iberica Cockpits S.L.U., SMP Automotive Solutions Personalleasings GmbH (formerly Peguform Personalleasing GmbH), Peguform Mexico S.A. DE C.V. and Peguform Do Brasil Ltda; First and exclusive charge over all the current assets of the SMP Deutschland GmbH (formerly Peguform GmbH) and Peguform Iberica S.L and their subsidiaries Pledge over 80% shareholding acquired of

Sr. No	Lender	Nature of Facility	Loan currency	Amount Outstanding at December 31, 2011 (Rs. Million)	Rate of Interest	Repayment Terms	Security / Principal Terms and Conditions
							SMP Deutschland GmbH (formerly Peguform GmbH) and Peguform Iberica S.L. Negative lien over 50% shares of Chanchun Peguform Automotive Plastics Technology Co. Ltd
117	Syndicate Bank (Lead: Banco Sabadell)	Term loan	EUR	323.3	3 month EURIBOR + 3.25 % p.a.	Payable in July 2013[3]	Secured by mortgage over Polinya Plant: land, buldings and installations of Peguform Ibérica S.l.
118	I.C.F.	Term loan	EUR	146.3	3 month EURIBOR + 2.00 % p.a.	Payable in April 2013[3]	Secured by Mortgage over Palencia Plant: land, buldings and installations of Peguform Ibérica S.l.
119	Deutsche Leasing Espana	Finance Lease	EUR	57.0	6.00 % p.a. (fix)	Monthly Repayment till September 2016	Secured by hypothecation of leased injection machine as asset of Peguform Ibérica S.l.
120	Banco Santander	Term loan	BRL	48.5	CDI + 0.58 % p.M.	Payable in January 2012	Secured by hypothecation of Receivables Volkswagen of SMP Produtos Automotivos do Brasil Ltda. (formerly Peguform do Brasil ltda.)
122	Banco do Brasil	Term loan	BRL	304.7	CDI +0.45% p.M.	Monthly Repayment till January 2012	Secured by hypothecation of Injection Machines, Receivables Renault of SMP Produtos Automotivos do Brasil Ltda. (formerly Peguform do Brasil ltda.)
123	BiC Banco	Term loan	BRL	258.0	CDI +0.80% p.M.	Monthly Repayments till September 2012	Secured by hypothecation of Paint line, Receivables GM & Nissan of SMP Produtos Automotivos do Brasil Ltda. (formerly Peguform do Brasil ltda.)
124	Banco Votorantim	Term loan	BRL	15.5	CDI + 0.50 % p.M.	Monthly Repayments till September 2013[3]	Secured by hypothecation of Injection Machine, Raw material stock of SMP Produtos Automotivos do Brasil Ltda. (formerly Peguform do Brasil ltda.)
125	Banco Itaú	Term loan	BRL	172.5	CDI + 0.50 % p.M.	Pyabale in February 2012	Secured by hypothecation of Injection Machines, Receivables PSA of SMP Produtos Automotivos do Brasil Ltda. (formerly Peguform do Brasil ltda.)
126	Banco Safra	Term loan	BRL	0.6	CDI + 0.60 % p.M.	Payable in January 2012	Secured by hypothecation of Injection Machines of SMP Produtos Automotivos do Brasil Ltda. (formerly Peguform do Brasil ltda.)
127	Banco Volkswagen	Term loan	BRL	6.8	CDI + 0.60 % p.M.	Payable in January 2012	Secured by hypothecation of Receivables of Volkswagen of SMP Produtos Automotivos do Brasil Ltda. (formerly Peguform do Brasil ltda.)
128	Banamex	Factoring	USD	158.2	LIBOR	Pyabale in	Secured by hypothecation of

Sr. No	Lender	Nature of Facility	Loan currency	Amount Outstanding at December 31, 2011 (Rs. Million)	Rate of Interest	Repayment Terms	Security / Principal Terms and Conditions
					+3.20% p.a.	February 2012	Receivables of Volkswagen of Peguform de Mexico S.A. de C.V.
	Total			**35,343.7**			

Note: Certain loans have financial covenants which are required to be complied with on periodic basis, Also refer note 25.

1. Including interest accrued and due of Rs. 2.4 million.
2. Including interest accrued and due of Rs. 1.3 million.
3. Repaid subsequent to period end pursuant to acquisition of SMP group.

[@] Refer Note 7 (a) (iv) of Annexure 5

Annexure XII Restated Consolidated Statement of Unsecured Loans of Samvardhana Motherson Finance Limited

Currency: Indian Rupees in Millions

Particulars	December 31, 2011	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
Short term loans						
From Banks	243.7	147.3	11.5	20.5	6.2	-
Privately Placed Debentures	-		56.4	-		-
Foreign Currency Loans	447.3	-	-	-	-	-
Other than Banks						
- Rupee Loan	171.8	78.4	175.4	214.0	17.3	25.5
- Foreign Currency Loan	82.7	180.6	33.3	39.8	-	-
Long term loans						
From Banks	2,403.2	1,103.1	18.1	25.1	-	
From Other than Banks			-		-	
- Rupee Loan	10.7	23.7	37.7	23.3	13.5	32.1
- Foreign currency Loan	459.2	56.8	79.3	62.0	47.7	74.9
- Zero Coupon Foreign Currency Convertible Bonds	-	-	421.8	1,056.0	619.5	630.1
- Interest accrued and due	0.3	-	3.5	0.2	0.1	-
- Vehicle loan	14.2	14.1	10.8	-	-	
TOTAL	**3,833.1**	**1,604.0**	**847.8**	**1,440.9**	**704.3**	**762.6**
Includes Borrowings from:						
- Joint Venture Companies and their Subsidiaries	172.0	11.1	146.0	198.0	-	11.0
- Subsidiaries (to Joint Venture Companies)	16.1	12.7	16.5	-	6.8	-
- Entities in which Directors or Promoters* are interested	29.9	36.1	37.5	29.7	21.9	-

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There are no loans outstanding from Directors or Promoters* of the Company.

*List of promoters is certified by the management.

Annexure XIIA - Statement of Principal Terms and Conditions of Restated Consolidated Unsecured Loans Outstanding as at December 31, 2011 of Samvardhana Motherson Finance Limited

Sr. No	Lender	Nature of Facility	Loan currency	Amount Outstanding at December 31, 2011 (Rs. Million)	Rate of Interest	Repayment Terms	Borrower	Security / Principal Terms and Conditions
1	JSSR Holdings (M) Private Limited	General purpose loan	USD	25.0	6.00%	Payable in September 2012	Samvardhana Motherson Finance Services Cyprus Ltd.	
2	Mizuho Corporate Bank Singapore	External Commercial Borrowing	USD	5.6	4.58%	Payable in half yearly instalments till July 2014	Nissin Advanced Coating Indo Co. Ltd	Guarantee by joint venture partner
3	Mizuho Corporate Bank Singapore	Interest accrued and due	USD	0.1	4.58%	Payable on demand	Nissin Advanced Coating Indo Co. Ltd	
4	Japan Bank for International Cooperation	External Commercial Borrowing	USD	8.5	6 month BBA Libor + 0.125%	Payable in half yearly instalments till July 2014	Nissin Advanced Coating Indo Co. Ltd	Guarantee by joint venture partner
5	Mizuho Corporate Bank Delhi	Short Term Loan	INR	5.1	11.05%	Payable on February 2012	Nissin Advanced Coating Indo Co. Ltd	
6	Bank of Tokyo and Mitsubishi	Short Term Loan	INR	30.7	10.35%	Payable in April 2012	Motherson Sumi Systems Ltd.	
7	Samvardhana Motherson Finance Limited	Inter Corporate Deposit	INR	10.0	15.00%	Payable in April 2012[1]	Magneti Marelli Motherson Auto System Ltd	
8	Samvardhana Motherson Finance Limited	Inter Corporate Deposit	INR	1.2	15.00%	Payable in January 2012	Nachi Motherson Precision Ltd.	
9	Spheros Motherson Thermal System Ltd	Interest accrued and due	INR	0.2	Interest free	Payable on demand	Motherson Zanotti Refrigeration System Ltd	
10	HDFC Bank Ltd.	Term Loan	INR	180.6	11.00%	Payable in August 2012	Motherson Sumi Systems Ltd.	
11	Bank Of TOKYO Mitsubishi UFJ Ltd. Singapore	External Commercial Borrowing	USD	383.6	6 month US$ Libor + 200bps	Payable in yearly instalments till January 2017	Motherson Sumi Systems Ltd.	Motherson Sumi Systems Ltd. has given an undertaking not to create any lien on the assets purchased/to be purchased out of this loan
12	Birla Sunlife Insurance Co. Ltd.	Commercial Papers	INR	54.2	9.70%	Payable in March 2012	Motherson Sumi Systems Ltd.	
13	LIC Nomura MF Liquid Fund	Commercial Papers	INR	90.3	9.70%	Payable in March 2012	Motherson Sumi Systems Ltd.	
14	SAKS Ancillaries Ltd	Inter Corporate Deposit	INR	16.1	6.50%	Payable on demand	Motherson Sumi Systems Ltd.	
15	Ford Motors	Tooling loan	INR	10.1	Interest free	Based on supplies made	Motherson Sumi Systems Ltd.	
16	ICICI Bank Limited	Term Loan	USD	865.3	3 month US$ Libor + 3.5%	Payable in annual installments till January 2016	Samvarhana Motherson Reflectec Group Holdings Limited.	Covered by corporate guarantee of Motherson Sumi Systems Limited of 100% facility amount
17	DBS Bank Limited	Term Loan	USD	1,129.9	3 month US$ Libor + 3.25%	Sixteen equal quarterly	Samvarhana Motherson	Under Negative lien for pledging

Sr. No	Lender	Nature of Facility	Loan currency	Amount Outstanding at December 31, 2011 (Rs. Million)	Rate of Interest	Repayment Terms	Borrower	Security / Principal Terms and Conditions
						instalments, paying one such instalment on each Repayment Date	Reflectec Group Holdings Limited.	shares of operating subsidiaries of SMR, 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, and further covered by an Undertaking from MSSL and the Company (SMFL) that they would not reduce their shareholding in SMR below 75% and by Corporate guarantee of Motherson Sumi Systems Limited (MSSL) for 100% of facility amount..
18	South Australian Government	Working Capital	AUD	39.8	Interest free	Repayment at various installments starting after 5 years to be repaid in 10 years with final maturity in 2016	SMR Automotive Australia Pty. Ltd.	
19	China Merchants Bank	Working Capital	CNY	21.1	6.56%	One time Repayment in March 2012	SMR Ningbo	
20	Government of Spain	Working Capital	EUR	22.2	5.37%	Repayment at various installments starting after 5 years to be repaid in 10 years with final maturity in 2026	SMR Automotive System Spain S.A.U	
21	MSSL Mideast FZE	Inter Corporate Deposit	EUR	50.5	6.00%	Payable in December 2012	Samvarhana Motherson Reflectec Group Holdings Limited.	
22	A J Taylor , Molefe , W J Du Toit	Shareholder s Loan	ZAR	19.1	Interest free	No Repayments	Vacuform 2000 Pty Ltd.	
23	Commerzbank	Term loan	EUR	4.4	2.62%	Payable in half yearly installments till June 2016	Samvardhana Motherson Invest Deutschland	
24	Dremotec GmbH & Co. KG (ORCA)	Term loan	EUR	17.6	6.25%	Payable till December 2012	Motherson ORCA Precision Technology GmbH	
25	Sirius AG (ORCA)	Term loan	EUR	8.1	6.25%	Payable till December 2012	Motherson ORCA Precision	

Sr. No	Lender	Nature of Facility	Loan currency	Amount Outstanding at December 31, 2011 (Rs. Million)	Rate of Interest	Repayment Terms	Borrower	Security / Principal Terms and Conditions
							Technology GmbH	
26	Volksbank eG Villingen	Short Term Loan	CZK	1.7	8.00%	Payable during one month	Motherson ORCA Precision Technology GmbH	
27	A Basic Concept Designs Pty. Ltd.	Inter Corporate Deposit	AUD	4.9	8.00%	Payable on demand	MSSL Australia Pty Ltd.	
28	Mijuho Corp Bank	Working Capital Loan	INR	27.3	Base Rate	Payable on demand	Calsonic Kansei Motherson Ltd.	
29	Calsonic Kansei Japan	Term Loan	JPY	8.2	6 month JPY Libor + 0.15%	Payable Till June 2012	Calsonic Kansei Motherson Ltd.	
30	Kyungshin Industrial Co., Korea	Preference Shares	INR	0.6	Interest free	Convertible into equity shares in March 2030	Kyungshin Industrial Motherson Ltd.	
31	MSSL Mauritius Holdings Limited	Inter Corporate Deposit	EUR	121.3	EURIBOR + 2.50%	Payable in September 2013	Samvardhana Motherson Global Holdings Limited	
32	Caixanova	Term loan	EUR	11.4	12 month EURIBOR + 3.50 % p.a.	Payable in July 2012[2]	Peguform Ibérica S.l.	
33	MITYC (Ministerio)	Term loan	EUR	146.1	Interest free	Quarterly Repayments Starting from June 2012 till June 2025	Peguform Ibérica S.l.	
34	I.C.F.	Term loan	EUR	69.6	Interest free	Payable in December 2020[2]	Peguform Ibérica S.l.	
35	MCYT (Ministerio)	Term loan	EUR	9.5	Interest free	Payable in June 2013	SMP Automotive Technologies Teruel, Sociedad (formerly Peguform de Teruel)	
36	Banco HSBC	Term loan	BRL	47.0	CDI + 0,50 % p.M.	Payable in January 2012	SMP Produtos Automotivos do Brasil Ltda. (formerly Peguform do Brasil ltda.)	
37	Banamex	Revolver Loan	USD	67.8	LIBOR +3,20% p.a.	Payable in January 2012	Peguform de Mexico S.A. de C.V.	
38	Banamex	Revolver Loan	MXN	19.7	TIIE +3,40% p.a.	Payable in January 2012	Peguform de Mexico S.A. de C.V.	
39	HSBC	Revolver Loan	USD	203.4	LIBOR +3,50% p.a.	Payable in April 2012[2]	Peguform de Mexico S.A. de C.V.	
40	BANKINTER	Disposal of credit line.	EUR	0.8	3 months EURIBOR + 2.10%	Yearly renewable	Celulosa Fabril S.A.	
41	BBVA	Disposal of credit line.	EUR	12.2	3 months EURIBOR + 2.10%	Yearly renewable	Celulosa Fabril S.A.	
42	CAIXA CATALUÑA	Short Term Loan	EUR	0.2	-	Yearly renewable	Celulosa Fabril S.A.	
43	BANKINTER	Short Term Loan	EUR	31.4	EURIBOR + 2.75%	Yearly renewable	Celulosa Fabril S.A.	
44	BANCO SANTANDER	Short Term Loan	EUR	28.0	EURIBOR + 2.75%	Yearly renewable	Celulosa Fabril S.A.	
45	CAIXA CATALUÑA	Short Term Loan	EUR	2.1	5.92%	Monthly payment, from	Celulosa Fabril S.A.	

Sr. No	Lender	Nature of Facility	Loan currency	Amount Outstanding at December 31, 2011 (Rs. Million)	Rate of Interest	Repayment Terms	Borrower	Security / Principal Terms and Conditions
						January 2012 until December 2012		
46	BBVA	Interest provision for credit lines	EUR	0.5	N.A.	First quarter 2012	Celulosa Fabril S.A.	
47	CAIXA CATALUÑA	Long term	EUR	5.9	5.92%	Monthly payment, from January 2013 until August 2015	Celulosa Fabril S.A.	
48	Various lenders	Vehicle Loan	INR	14.2	9% - 11%	Payable in monthly installments	MothersonSumi Infotech & Designs Ltd	
				3,833.1				

* Represents Company's share of Loans in respect of borrowings by Consolidating Companies.

1. Converted into Preference shares in February 2012.
2. Repaid subsequent to the period end pursuant to acquisition of SMP Group.

Annexure XIII - Restated Consolidated Statement showing details of Current Liabilities & Provisions of Samvardhana Motherson Finance Limited

Currency: Indian Rupees in Millions

	Particulars	December 31, 2011	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
A.	**Current Liabilities**						
	(i) Sundry Creditors	24,152.1	10,488.3	8,210.1	7,686.8	846.1	534.2
	(ii) Advance from customers	1,933.6	768.2	584.1	847.7	58.8	42.0
	(iii) Other Liabilities	4,249.3	716.8	680.9	536.0	105.7	85.2
	(iv) Investor Education & Protection Fund shall be credited by the following amount						
	- Unpaid Dividend in Consolidated Companies	3.8	3.0	2.6	1.9	0.9	-
	(v) Other Interest Payable	-	-	-	-	-	0.8
	(vi) Interest Accrued but not due	224.3	32.6	30.5	32.5	11.5	2.4
	TOTAL A	**30,563.1**	**12,008.9**	**9,508.2**	**9,104.9**	**1,023.0**	**664.6**
B.	**Provisions**						
	(i) For Premium on Redemption of Zero Coupon Foreign Currency Convertible Bond	-	-	124.4	318.5	183.4	180.2
	(ii) For Dividend of Consolidated companies (including tax thereon)	2.5	13.3	12.7	2.3	4.5	1.9
	(iii) For Income Tax (net)[1]	779.5	469.7	341.6	385.3	12.6	-
	(iv) For Wealth Tax	0.3	1.0	1.4	1.0	0.6	0.5
	(v) For Fringe Benefit Tax (net)	1.1	3.5	3.1	3.0	-	3.3
	(vi) For Employee benefits	1,139.2	332.4	330.0	629.7	30.6	14.7
	(vii) For Warranty	463.6	300.6	269.5	300.6	3.0	4.8
	(viii For Onerous	63.2	54.1	86.1	105.5	-	-
	(ix) For Others	48.8	193.1	525.5	652.8	4.9	6.8
	TOTAL B	**2,498.2**	**1,367.7**	**1,694.3**	**2,398.7**	**239.6**	**212.2**
	GRAND TOTAL (A+B)	**33,061.3**	**13,376.6**	**11,202.5**	**11,503.6**	**1,262.6**	**876.8**

[1] Net of Advance Tax Rs. 546.5 million (March 2011 - Rs. 13.8 million, 2010 - Rs. 6.7 million, 2009 - Rs. 0.8 million, 2008 - Rs. 0.9 million, 2007 - Rs. NIL))

Refer Notes 9,14 and 17 on Annexure V

Annexure XIV - Restated Consolidated Statement of Share Capital of Samvardhana Motherson Finance Limited

Currency: Indian Rupees in Millions

Particulars	As At					
	December 31, 2011	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
Authorised						
900,000,000 Equity Shares of Rs.10/- each	9,000.0	6,000.0	6,000.0	6,000.0	3,165.0	165.0
(March 2011, 2010, 2009: 600,000,000 Equity Shares of Rs.10/- each)						
(2008: 316,500,000 Equity Shares of Rs.10/- each)						
(2007: 16,500,000 Equity Shares of Rs. 10/- each)						
Nil Preference Shares of Rs. 10/- each	-	3,000.0	3,000.0	3,000.0	-	-
(2010, 2009: 300,000,000 Preference Shares of Rs. 10 each)						
(2008, 2007: NIL Preference Shares)						
	9,000.0	**9,000.0**	**9,000.0**	**9,000.0**	**3,165.0**	**165.0**
Issued, Subscribed and Paid up						
473,613,855 Equity Shares of Rs.10/- each	4,736.1	4,684.1	4,148.7	3,470.5	3,001.8	80.5
(March 2011: 468,413,855 Equity Shares of Rs.10/- each)						
(2010: 414,874,012 Equity Shares of Rs.10/- each)						
(2009: 347,051,694 Equity Shares of Rs.10/- each)						
(2008: 300,180,594 Equity Shares of Rs.10/- each)						
(2007: 8,050,000 Equity Shares of Rs. 10/- each)						
(Out of the above 292,130,594 shares were allotted as fully paid up as purchase consideration for amalgamation of erstwhile Motherson Consultancy Private Limited with the Company with effect from February 1, 2007)						
(2011: 53,539,843 Equity shares have been allotted at premium of Rs. 13.33 per share						
to Sojitz Corporation by conversion of 124,882,670 Preference shares into Equity Shares)						
(During the period ended December 31, 2011, 5,200,000 equity shares have been allotted at a premium of Rs. 42.1 per share to Samvardhana Employees Welfare Trust)						
Nil, 0% Fully Convertible Preference Share of Rs. 10/- each @ (2010: 124,882,670, 0% Fully Convertible Preference Share of Rs. 10/- each, 2009 to 2007:NIL)	-	-	1,248.8	-	-	-
Total	**4,736.1**	**4,684.1**	**5,397.5**	**3,470.5**	**3,001.8**	**80.5**

[@] Convertible at the option of the holder at any time within a period of 365 days from the issue i.e. April 11, 2009. In case the option is not exercised within the aforesaid period the preference shares shall convert to equity shares on 365th day from the date of issue as per the terms and conditions of allotment.

Annexure XV- Restated Consolidated Statement of Reserves & Surplus of Samvardhana Motherson Finance Limited

Currency: Indian Rupees in Millions

Particulars	December 31, 2011		March 31, 2011		March 31, 2010		March 31, 2009		March 31, 2008		March 31, 2007	
Reserve on Amalgamation												
As per Last Balance Sheet	2,645.7		2,402.4		2,402.4		2,402.4		2,402.4		-	
Additions during the year[1]	-	2,645.7	243.3	2,645.7	-	2,402.4	-	2,402.4	-	2,402.4	2,402.4	2,402.4
Securities Premium Account												
As per Last Balance Sheet	3,179.8		2,364.6		623.4		-		-			
Additions during the year	218.9	3,398.7	815.2	3,179.8	1,741.2	2,364.6	623.4	623.4	-	-	-	-
General Reserve												
As per Last Balance Sheet	377.1		253.1		161.5		116.7		56.2		(0.1)	
Net Additions/ (deletion) during the year	(4.4)	372.7	124.0	377.1	91.6	253.1	44.8	161.5	60.5	116.7	56.3	56.2
Exchange Reserve on Consolidation												
As per Last Balance Sheet	267.6		134.1		(75.0)		9.4		(1.2)		-	
Additions during the year	564.2	831.8	133.5	267.6	209.1	134.1	(84.4)	(75.0)	10.6	9.4	(1.2)	(1.2)
Capital Reserve on Consolidation												
As per Last Balance Sheet	955.6		979.1		943.8		55.1		55.1		-	
Additions/(deletion) during the year [2]	(25.1)	930.5	(23.5)	955.6	35.3	979.1	888.7	943.8	-	55.1	55.1	55.1
Profit and Loss Account												
As per Last Balance Sheet	2,651.3		1,402.7		648.9		242.6		(18.7)		(2.5)	
Net additions/(deletion) during the year	(1,179.9)	1,471.4	1,248.6	2,651.3	753.8	1,402.7	406.3	648.9	261.3	242.6	(16.2)	(18.7)
Capital Redemption Reserve												
As per Last Balance Sheet	8.0		8.0		-		-		-		-	
Additions/(deletion) during the year[3]	(8.0)	-	-	8.0	8.0	8.0	-	-	-	-	-	-
Revaluation Reserve												
As per Last Balance Sheet	27.6		-		-		-		-		-	
Additions during the year [4]	-		27.6		-		-		-		-	
Deductions during the year	-	27.6	-	27.6	-	-	-	-	-	-	-	-
Total		**9,678.4**		**10,112.7**		**7,544.0**		**4,705.0**		**2,826.2**		**2,493.8**

[1] Consequent to amalgamation of erstwhile Motherson Tradings Limited, (a subsidiary of Motherson Sumi Systems Limited) (MSSL) and Balda Motherson Solution India Limited (a joint venture of MSSL) with MSSL. (Refer Note 7 (b) (viii) on Annexure V)

[2] Refer Note 3 on Annexure VI.

[3] Consequent to amalgamation of Sumi Motherson Innovative Engineering Limited with Mother Sumi Systems Limited (Refer Note 7 (a) (iv) on Annexure V)

[4] Consequent to acquisition of India Nails Manufacturing Limited by Motherson Sumi Systems Limited. (Refer Note 7 (a) (iv) and 7(b)(ix) on Annexure V)

Annexure XVI - Restated Consolidated Statement showing details of Miscellaneous Expenditure of Samvardhana Motherson Finance Limited

Currency: Indian Rupees in Millions

Particulars	December 31, 2011	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
Share Issue Expenses	54.5	-	-	-	-	-
Premium on Redemption/ Issue of Zero Coupon	-	6.8	91.3	90.0	126.5	132.6
Foreign Currency Convertible Bonds						
Addition / (deletion) on account of change in Share holding	-	(0.3)	8.5	54.4	-	-
Less: Written off during the year[1]	-	6.5	93.0	53.1	36.5	6.1
TOTAL	**54.5**	**-**	**6.8**	**91.3**	**90.0**	**126.5**

[1]Includes deletion of Rs. 5.4 million, Rs. 39.8 million and Rs. 1.1 million in the years ended March 31, 2011, March 31, 2010 and March 31, 2008 on account of conversion of Bonds (Refer note 9 in Annexure V).

Annexure XVII - Restated Consolidated Statement of Other Income of Samvardhana Motherson Finance Limited (Currency: Indian Rupees In millions)

Particulars	Recurring/Non-recurring	Period ended Dec. 31, 2011	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007
Other Income							
Dividend Received							
- From Long Term	Recurring	-	-	2.0	1.9	-	-
- From Others [1]	Recurring	7.9	8.6	2.7	1.9	0.1	-
Rent	Recurring	74.4	80.6	95.0	14.1	8.6	1.3
Profit on sale of investments (Long Term)	Non-recurring	38.8	41.2	-	-	-	-
Profit on sale of investments (Current)	Non-recurring	-	0.1	-	-	-	-
Government Grant Received	Recurring	86.2	116.2	148.2	5.9	-	-
Government Grant Received	Non-recurring	11.7	-	70.0	-	-	-
Exchange Differences (net)	Recurring	-	178.7	275.4	-	-	-
Exchange fluctuation (net)	Non-Recurring	-	26.7	-	-	-	-
Profit on fixed assets	Recurring	73.8	84.4	24.3	2.4	1.7	0.1
Profit on sale of land	Non-recurring	7.6	-	-	-	51.4	-
Contribution received from business stakeholders of Visiocorp Plc.	Non-recurring	-	-	632.6	825.7	-	-
Receipt from Customers	Non-recurring	43.0	-	-	-	-	-
Royalty income	Recurring	53.2	81.0	44.3	-	-	-
Sale of Scrap	Recurring	85.6	40.6	31.2	16.4	10.5	1.2
Liabilities no longer required written back	Non-Recurring	113.0	-	-	-	-	-
Miscellaneous Income	Recurring	75.3	161.8	142.6	62.5	35.0	8.8
TOTAL		**670.5**	**819.9**	**1,468.3**	**930.8**	**107.3**	**11.4**
Add/(Less): Restatement Adjustments							
Liabilities no longer required written back		(113.0)	-	-	-	-	-
Total, as restated		**557.5**	**819.9**	**1,468.3**	**930.8**	**107.3**	**11.4**

XVIII - Restated Consolidated Statement Showing Details of Cost of materials and manufacturing and Other Expenses of Samvardhana Motherson Finance Limited

Currency: Indian Rupees in Millions

Particulars	For the period ended December 31, 2011	For the year ended March 31, 2011	For the year ended March 31, 2010	For the year ended March 31, 2009	For the year ended March 31, 2008	For the year ended March 31, 2007
Materials consumed						
Opening Stock						
Raw materials	2,853.3	1,920.7	1,574.2	339.4	243.5	-
Work-in-progress	870.5	419.4	474.7	115.3	83.8	0.3
Finished goods	1,643.4	1,316.5	987.3	185.3	123.2	-
Change in Opening Stock on account of change in Share Holding						
Raw materials	3,669.2	(41.5)	102.7	1,182.8	(1.9)	210.0
Work-in-progress	6,294.5	(9.3)	54.3	282.3	(0.7)	68.5
Finished goods	537.3	(25.2)	85.7	862.6	(0.8)	141.2
	15,868.2	**3,580.6**	**3,278.9**	**2,967.7**	**447.1**	**420.0**
Add : Purchases of Raw materials/Traded Goods	37,313.9	36,648.4	31,080.0	5,085.6	2,929.5	403.9
Less: Closing Stock						
Raw materials	6,736.5	2,853.3	1,920.7	1,574.2	339.4	243.5
Work-in-progress	6,466.9	870.5	419.4	474.7	115.3	83.8
Finished goods	2,432.9	1,643.4	1,316.5	987.3	185.3	123.2
	15,636.3	**5,367.2**	**3,656.6**	**3,036.2**	**640.0**	**450.5**
Add: Exchange Adjustment						
Exchange differences opening stock	212.4	140.9	(265.8)	32.2	-	-
Total Material Consumed	**37,758.2**	**35,002.7**	**30,436.5**	**5,049.3**	**2,736.6**	**373.4**
Employee Costs						
Salary , wages, bonus etc	9,263.6	8,610.0	7,914.2	1,104.9	551.1	68.4
Contribution to Provident & Other Funds	690.2	789.3	807.2	122.0	57.1	6.5
Staff Welfare	325.9	299.3	831.3	70.8	53.2	7.4
Total Employee Costs	**10,279.7**	**9,698.6**	**9,552.7**	**1,297.7**	**661.4**	**82.3**

Particulars	For the period ended December 31, 2011	For the year ended March 31, 2011	For the year ended March 31, 2010	For the year ended March 31, 2009	For the year ended March 31, 2008	For the year ended March 31, 2007
Other Expenditure[1]						
Electricity, Water and Fuel	956.6	811.9	728.0	148.6	92.9	13.2
Repairs and Maintenance:						
Machinery	486.4	517.1	449.1	69.2	50.9	7.0
Building	270.0	162.5	116.8	33.6	31.1	2.9
Others	224.1	274.8	233.0	54.3	39.9	5.2
Consumption of Store and Spare parts	1,023.7	554.7	523.7	77.4	44.5	6.6
Conversion charges	108.9	140.6	114.8	62.7	88.1	13.7
Lease rent	440.8	474.2	537.8	71.6	16.6	1.6
Rent	193.1	129.3	17.5	61.7	39.7	7.0
Rates & taxes	144.9	143.9	176.3	17.4	25.8	2.7
Insurance	113.1	108.0	115.5	27.3	17.0	2.4
Donation	8.9	8.3	3.2	3.6	1.8	0.3
Travelling	487.9	539.1	359.8	96.4	69.5	11.1
Freight & forwarding	938.1	870.7	811.9	178.0	108.0	12.5
Royalty	94.5	97.2	78.9	26.4	23.5	2.5
Cash Discount	26.2	42.8	22.2	6.5	7.0	0.8
Commission	19.1	13.6	34.7	6.1	6.2	1.4
Loss on sale of investments (Current)	-	-	0.2	-	-	-
Provision for diminution in value of Long Term Investments	-	13.8	6.4	16.7	5.1	-
Exchange fluctuation(net)	820.9	-	-	34.3	34.8	3.2
Bad Debts / Advances written off	28.7	73.8	16.4	8.0	-	0.6
Doubtful Debts/ Advances	10.1	6.8	2.8	3.5	4.0	0.4
Legal & professional expenses	1,208.9	1,174.3	965.5	239.7	170.6	13.7
Miscellaneous expenses	1,963.5	1,271.4	1,531.1	390.0	138.4	19.6
Total Other Expenditure	**9,568.4**	**7,428.8**	**6,845.6**	**1,633.0**	**1,015.4**	**128.4**
TOTAL	**57,606.3**	**52,130.1**	**46,834.8**	**7,980.0**	**4,413.4**	**584.1**

Particulars	For the period ended December 31, 2011	For the year ended March 31, 2011	For the year ended March 31, 2010	For the year ended March 31, 2009	For the year ended March 31, 2008	For the year ended March 31, 2007
Add:						
Restatement adjustments (refer Annexure VI)						
Material Cost		(20.1)				
Salaries & Wages		(30.7)				
Insurance		(1.4)				
Exchange Fluctuation		9.0				
Provision for bad/doubtful debts written off	(1.7)	1.3	(1.2)	1.2	-	-
Penalty	(1.0)	-	-	-	1.0	-
Change in accounting policy for retirement benefits	-	-	-	-	-	(0.1)
Others	(10.2)	(41.3)	(0.2)	(1.0)	0.1	1.0
Total adjustments	(12.9)	(83.2)	(1.4)	0.2	1.1	0.9
TOTAL, as restated	**57,593.4**	**52,046.9**	**46,833.4**	**7,980.2**	**4,414.5**	**585.0**

[1]Refer Note 7(a)(i) on Annexure V

Annexure XIX - Restated Consolidated Statement of Interest and Finance Cost of Samvardhana Motherson Finance Limited

Currency: Indian Rupees in Millions

Particulars	For the period ended December 31, 2011	For the year ended March 31, 2011	For the year ended March 31, 2010	For the year ended March 31, 2009	For the year ended March 31, 2008	For the year ended March 31, 2007
Interest and Finance Expense						
- Working Capital from Banks	191.8	33.3	9.2	3.4	1.7	1.8
- Privately Placed debentures	-	5.1	6.8	7.0	4.9	0.6
- Interest On Term Loans	614.5	470.0	453.5	-	-	-
- Finance Cost [1]	440.0	-	-	-	-	-
- Amortisation of Premium/Issue Expenditure on Redemption Of Zero Coupon Foreign Currency Convertible Bonds	-	1.1	53.2	53.1	35.4	6.1
- Fixed Loans	-	-	-	91.3	16.4	0.8
- Interest & Finance charges	39.5	18.3	33.7	40.8	-	-
- Others	48.2	152.3	124.2	44.3	19.6	3.4
Less : Interest Income						
- From Bank Deposits	17.9	38.0	47.6	24.9	12.3	4.0
- From Income Tax Refunds	3.6	6.8	0.7	0.2	2.9	-
- From Others	21.9	13.6	8.9	4.1	5.8	0.9
TOTAL	**1,290.6**	**621.7**	**623.4**	**210.7**	**57.0**	**7.8**

[1]Refer Note 7(a)(i) on Annexure V

Annexure XX - Restated Consolidated Statement of Accounting Ratios of Samvardhana Motherson Finance Limited

Currency: Indian Rupees in Millions

S. No	Particulars	December 31, 2011	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
1	Restated Profit/(Loss) after Tax (Concern Share)	(1,113.6)	1,592.5	704.0	475.7	319.5	43.4
	Addition on change in holding in Consolidated / Amalgamated Companies	18.2	(155.4)	194.0	-	18.2	-
	Restated Profit/(Loss) after Tax	(1,095.4)	1,437.1	898.0	475.7	337.7	43.4
2	Less : Dividend on Preference Shares of Consolidated Companies	(2.2)	(5.4)	(3.9)	(1.9)	(2.0)	(1.9)
	Tax on Dividend paid by Consolidating Companies	(79.4)	(59.1)	(40.7)	(22.7)	(13.9)	(1.4)
3	**Net Profit/(Loss) available to Equity Shareholders**	(1,177.0)	1,372.6	853.4	451.1	321.8	40.1
4	Weighted average number of Equity Shares outstanding during the period/year (Numbers)	470,588,400	467,093,694	398,672,058	302,235,218	300,180,594	38,254,611
5	Equity Shares outstanding at the end of the period/ year (Numbers)	473,613,855	468,413,855	414,874,012	347,051,694	300,180,594	300,180,594
6	Potentially Dilutive Shares (Numbers)	-	-	53,539,843	1,026,791	-	-
7	Number of Equity Shares for determining Dilutive EPS (Numbers)	470,588,400	467,093,694	452,211,901	303,262,009	300,180,594	38,254,611
8	Net Worth for Equity Shareholders & Preference Shareholders	14,332.4	14,769.2	12,934.7	10,334.2	5,738.0	5,369.1
9	Preference Share Capital	-	-	1,248.8	-	-	-
10	Share Application Money	-	-	-	2,250.0	-	-
11	Preference Dividend for the period / year including tax thereon (Not provided in Books during the relevant period)	0.9	-	-	-	-	-
12	Net Worth for Equity Shareholders	14,331.5	14,769.2	11,685.9	8,084.2	5,738.0	5,369.1
13	**Accounting Ratios**:						
(a)	Basic Earnings / (Loss) per Share (Rs) (3)/(4)	(2.5)	2.9	2.1	1.5	1.1	1.0
(b)	Diluted Earnings / (Loss) per Share (Rs) (3)/(7)	(2.5)	2.9	1.9	1.5	1.1	1.0
(c)	Return on Net Worth for Equity Shareholders - % (3)/(12)	(8.2)	9.3	7.3	5.6	5.6	0.7
(d)	Net Asset Value Per Share (Rs) (12)/(5)	30.3	31.5	28.2	23.3	19.1	17.9

Note: The above ratios have been computed on the basis of Restated Financial Information – Annexure 1 and Annexure II

Note: Number of equity shares outstanding as at March 31, 2007 include 292,130,594 fully paid up shares issued to the shareholders of erstwhile Motherson Consultancy Private Limited pursuant to its amalgamation with the Company with effect from February 1, 2007 (Refer Note 2 on Annexure V). While these shares were issued during 2007-08, these have been considered as outstanding as at March 31, 2007 since they ranked pari-passu with the other shares with effect from February 1, 2007.

Annexure XXI - Restated Statement of Capitalisation of Samvardhana Motherson Finance Limited

Currency: Indian Rupees in Millions

PARTICULARS	Pre-Issue as at December 31, 2011
Borrowings:	
Short Term Debt	5,676.0
Long Term Debt	33,500.8
Total Debts	**39,176.8**
Shareholders' Funds	
Equity Share Capital	4,736.1
Preference Share Capital	-
Reserves and Surplus	9,650.8
Less: Miscellaneous Expenditure (to the extent not written off or adjusted)	54.5
Total Shareholders' Funds	**14,332.4**
Long Term Debt/ Shareholders' funds	**2.3**

Notes:

i) The above has been computed on the basis of Restated Financial Information.

ii) Long term includes loans where due date of repayment term of loan is beyond one year but there is a put and call option outstanding or within one year from the period end.

iii) The issue price and the number of shares to be issued in the forthcoming initial public offer are being finalized and as such the post issue capitalisation statement cannot be presented.

PRO FORMA FINANCIAL INFORMATION

The Board of Directors
Samvardhana Motherson Finance Limited
C-1, A&B, Sector 1,
Noida, Gautam Budh Nagar,
Uttar Pradesh 201 301,
India

Auditors' Report on unaudited pro forma financial information in connection with the Initial Public Offer of Samvardhana Motherson Finance Limited (the "Issue")

Dear Sirs,

1. This report is issued in accordance with the terms of our agreement dated April 2, 2012.

2. The accompanying unaudited pro forma financial information (hereinafter referred to as the "pro forma financial information") of Samvardhana Motherson Finance Limited (hereinafter referred to as the "Company") comprising the condensed consolidated pro forma balance sheet as at March 31, 2011, the condensed consolidated pro forma statement of profit and loss for the year ended March 31, 2011, and the condensed consolidated pro forma statement of profit and loss for the nine months' interim period ended December 31, 2011,read with the notes to the pro forma financial information, has been prepared by the Management of the Company as per the request of the Book Running Lead Managers to reflect the impact of a significant acquisition made during the nine months' interim period ended December 31, 2011 and as further set out in the basis of preparation paragraph included in the attached notes to the pro forma financial information and has been approved by the Board of Directors of the Company and initialled by us for identification purposes.

3. We have examined the pro forma financial information with reference to the following:

   - the restated consolidated financial statements of the Company as of and for the nine months' interim period ended December 31, 2011 and as of and for the year ended March 31, 2011 on which we have expressed an unmodified examination opinion in our report dated April 4, 2012;

   - the audited consolidated financial statements of Peguform Holding GmbH, Wels as of and for the year ended December 31, 2010 on which other firms of accountants have expressed an unmodified audit opinions in their report dated May 16, 2011;

   - the audited combined financial statements of Peguform Iberica, S.L, Peguform GmbH, Wethje Entwicklungs, GmbH and Wethje Carbon Composite, GmbH (including their respective subsidiaries and joint ventures) as of and for the nine months' interim period ended September 30, 2011 on which other firms of accountants have expressed an unmodified audit opinion in their report dated April 3, 2012.

Directors' Responsibility for the Pro forma Financial Information

4. The preparation of the pro forma financial information, which is to be included in the Red Herring Prospectus and the Prospectus of the Company (the "Offer document"), is the responsibility of the Management of the Company and has been approved by the Board of Directors of the Company (hereinafter referred to as the "Board of Directors") by way of circular resolution on April 19, 2012 as explained in paragraph 12 (b) below. The Board of Directors' responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and presentation of the pro forma financial information. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditors' Responsibility

5. Our work has been carried out in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. Our examination of the pro

forma financial information has not been carried out in accordance with the auditing standards generally accepted in the United States of America ("U.S.") and accordingly should not be relied upon by U.S. investors as if it had been carried out in accordance with those standards or any other standards besides the standards referred to in this report. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended to date (the "SEBI Regulations") issued by the SEBI in connection with the Issue.

6. We have not audited any financial statements of the Company as of any date or for any period subsequent to December 31, 2011. Accordingly, we do not express any opinion on the financial position, results or cash flows of the Company as of any date or for any period subsequent to December 31, 2011.

7. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us and/or other firms of accountants / chartered accountants on the consolidated financial statements of the Company.

8. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

9. Our work consisted primarily of comparing the respective columns in the pro forma financial information to the underlying audited historical financial information referred to in paragraph 3 above, considering the evidence supporting the adjustments and reclassifications and discussing the pro forma financial information with the Management of the Company. This engagement did not involve independent examination of any of the underlying financial information.

10. We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to issue this report.

Opinion

11. In our opinion the pro forma financial information of the Company for the year ended March 31, 2011 and for the nine months' interim period ended December 31, 2011, as attached to this report, read with the respective significant accounting policies and the notes thereto, have been properly prepared by the Management of the Company as set out in the basis of preparation note included in the notes to the pro forma financial information.

Emphasis of Matter paragraph

12. Without qualifying our opinion,

    a. we draw your attention to the fact that the pro forma financial information is for illustrative purposes only, solely to illustrate the hypothetical impact of a significant event on the historical financial information of the Company as if the event had occurred at an earlier date selected for purposes of illustration and based on the judgements and assumptions of the Management of the Company. Because of its hypothetical nature, the pro forma financial information does not provide any assurance or indication that any event will take place in the future and may not be indicative of:

    • the consolidated financial position of the Company as at March 31, 2011 or any future date; or
    • the consolidated results of the Company for the year ended March 31, 2011 or for the nine months' interim period ended December 31, 2011 or any future periods.

    b. We draw your attention to the following changes made to the Notes to the Pro forma Condensed Consolidated Financial Information which have been inserted subsequent to the approval of Pro forma Financial Information on April 11, 2012 by the Board of Directors of the Company upon which we had issued our report dated April 12, 2012.:

    - Paragraph titled 'Basis of Preparation', to clarify that there were no significant events / transactions during the intervening periods which required adjustments to be made to the pro forma financial information.

- Note (d) 'SMFL share', to clarify that an adjustment has been made to the minority interest to ensure that the concern share reflects the economic interest of SMFL as well as to the extent of 49% of the 5.2 % interest that the company holds in SMP Deutschland GmbH through SMGHL.

- Additional Note which clarifies that our scope of work and the terms of agreement, as agreed with the management of the Company are not at variance with relevant provisions of the Act, the Securities and Exchange Board of India Act, 1992 and the (Revised) Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India, respectively.

The pro forma financial information, revised for the abovementioned changes, has been approved by the Board of Directors of the Company by way of a circular resolution on April 19, 2012. Accordingly, our report is now re-issued pursuant to these changes only and no additional procedures are required to be carried out from the date of our earlier report.

Restriction on Use

13. This report is addressed to and is provided to enable the Board of Directors of the Company to include it in the Red Herring Prospectus and the Prospectus prepared in connection with the proposed initial public offer of the Company, to be filed by the Company with the SEBI and the concerned Registrar of Companies.

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

Joy Kumar Jain
Partner
Membership Number: 087659

Place: NOIDA
Date: April 20, 2012

Samvardhana Motherson Finance Limited

Pro forma Condensed Consolidated Balance Sheet as at March 31, 2011

INR Millions

S No	Particulars	(A) SMFL (Restated) As at March 31, 2011	(B) Peguform Holding GmbH (Consolidated, regrouped) As at December 31, 2010 (Refer note (a)(i))	(C) SMP Group Adjustments (Same structure) As at December 31, 2010 (Refer note (a)(ii) and (a)(iii))	(D) SMP Group Adjustments (SMFL group accounting policies) As at December 31, 2010 (Refer note (b))	(E=B-C+D)) SMP Group (Combined financial Statements) As at December 31, 2010	(F) SMP Group (Acquisition adjustments) As at December 31, 2010 (Refer note (c))	(G=(E+F)) SMP Group (Combined financial statements post acquisition) As at December 31, 2010	(H) SMP Group (SMFL share) As at December 31, 2010 (Refer note (d))	(I = (A+H)) Total
A	**Fixed Assets**									
	Gross Block	33,809.1	45,333.9	1,672.3	(12,059.5)	31,602.1	1,504.0	33,106.1	28,179.2	61,988.3
	Less: Accumulated Depreciation	15,287.0	23,619.1	735.9	(7,298.6)	15,584.6	-	15,584.6	13,265.4	28,552.4
	Net Block	18,522.1	21,714.8	936.4	(4,760.9)	16,017.5	1,504.0	17,521.5	14,913.8	33,435.9
	Less: Revaluation Reserve	27.6	-	-	-		-	-	-	27.6
	Net Block after adjustment of Revaluation Reserve	18,494.5	21,714.8	936.4	(4,760.9)	16,017.5	1,504.0	17,521.5	14,913.8	33,408.3
	Capital Work in Progress (including Capital Advances)	2,859.3	-	-	1,537.0	1,537.0	-	1,537.0	1,308.3	4,167.6
	Total	**21,353.8**	**21,714.8**	**936.4**	**(3,223.9)**	**17,554.5**	**1,504.0**	**19,058.5**	**16,222.1**	**37,575.9**
B	**Investments**	**475.5**	**527.2**	**18.3**	**(526.4)**	**(17.5)**	**598.3**	**580.8**	**476.7**	**952.2**
C	**Current Assets, Loans and Advances**									
	Inventories	6,561.2	4,158.0	186.8	4,522.1	8,493.3	-	8,493.3	7,229.3	13,790.5
	Sundry Debtors	6,813.9	11,046.8	88.7	(2,248.3)	8,709.8	-	8,709.8	7,413.6	14,227.5
	Cash and Bank Balances	2,758.6	2,531.0	3.1	81.9	2,609.8	-	2,609.8	2,221.4	4,980.0
	Loans and advances	2,758.8	3,271.6	7.1	336.0	3,600.5	-	3,600.5	3,064.7	5,823.5
	Total	**18,892.5**	**21,007.4**	**285.7**	**2,691.7**	**23,413.4**	**-**	**23,413.4**	**19,929.0**	**38,821.5**
D	Deferred Tax Asset (net)	279.2	877.0	0.9	(568.8)	307.3	-	307.3	261.6	540.8
E	**Liabilities & Provisions**									
	Secured Loans	9,349.9	10,389.8	466.1	2,174.6	12,098.3	8,463.1	20,561.4	17,501.4	26,851.3
	Unsecured Loans	1,604.0	-	-	-	-	-	-	-	1,604.0
	Liabilities	12,008.9	16,004.7	155.9	165.8	16,014.6	325.4	16,340.0	13,908.3	25,917.2
	Provisions	1,367.7	1,982.2	93.0	328.4	2,217.6	-	2,217.6	1,887.5	3,255.2
	Deferred Tax Liability (net)	159.8	1,748.3	32.8	(955.4)	760.1	-	760.1	647.0	806.8
	Total	**24,490.3**	**30,125.0**	**747.8**	**1,713.4**	**31,090.6**	**8,788.5**	**39,879.1**	**33,944.2**	**58,434.5**
F	**Minority Interest**	**1,741.5**	**2,455.9**	**1,356.6**	**-**	**1,099.3**	**1,640.0**	**2,739.3**	**2,484.6**	**4,226.1**
	Net Worth (A+B+C+D-E-F)	**14,769.2**	**11,545.5**	**(863.1)**	**(3,340.8)**	**9,067.8**	**(8,326.2)**	**741.6**	**460.6**	**15,229.8**
	Net Worth Represented By:									
G	Share Capital (including Preference Capital)	4,684.1	2.1	(849.5)	-	851.6	(851.6)	-	-	4,684.1
H	Share Application Money	-	-	-	-	-	-	-	-	-
I	Reserves and Surplus	10,112.7	11,543.4	(13.6)	(3,340.8)	8,216.2	(7,474.6)	741.6	460.6	10,573.3
	Less: Revaluation Reserve	27.6	-	-	-	-	-	-	-	27.6
	Reserves and Surplus (net of Revaluation Reserve)	10,085.1	11,543.4	(13.6)	(3,340.8)	8,216.2	(7,474.6)	741.6	460.6	10,545.7
J	Less : Miscellaneous Expenditure (to the extent not written off/adjusted)	-	-	-	-		-	-	-	-
	Net Worth	**14,769.2**	**11,545.5**	**(863.1)**	**(3,340.8)**	**9,067.8**	**(8,326.2)**	**741.6**	**460.6**	**15,229.8**

Samvardhana Motherson Finance Limited

Pro forma Condensed Consolidated Profit and Loss Account for the year ended March 31, 2011

INR Millions

	(A)	(B)	(C)	(D)	(E=B-C+D))	(F)	(G=(E+F))	(H)	(I = (A+H))
Particulars	**SMFL (Restated) Period: From 01-04-2010 to 31-03-2011**	**Peguform Holding GmbH (Consolidated, regrouped) Period: From 01-01-2010 to 31-12-2010 (Refer note (a)(i))**	**SMP Group Adjustments (Same structure) Period: From 01-01-2010 to 31-12-2010 (Refer note (a)(ii) and (a)(iii))**	**SMP Group Adjustments (SMFL group accounting policies) Period: From 01-01-2010 to 31-12-2010 (Refer note (b))**	**SMP Group (Combined financial Statements) Period: From 01-01-2010 to 31-12-2010**	**SMP Group (Acquisition adjustments) Period: From 01-01-2010 to 31-12-2010 (Refer note (c))**	**SMP Group (Combined financial statements post acquisition) Period: From 01-01-2010 to 31-12-2010**	**SMP Group (SMFL share) Period: From 01-01-2010 to 31-12-2010 (Refer note (d))**	**Total**
INCOME									
Net Sale of Finished Goods	**55,121.4**	**81,074.3**	**277.9**	**2,750.5**	**83,546.9**	**-**	**83,546.9**	**71,113.5**	**126,234.9**
- Manufactured	54,522.2	81,074.3	277.9	2,750.5	83,546.9	-	83,546.9	71,113.5	125,635.7
- Traded	599.2	-	-	-	-	-	-	-	599.2
Income from Services	1,223.7	-	-	-	-	-		-	1,223.7
Other Income	819.9	2,574.3	2.1	158.2	2,730.4	-	2,730.4	2,324.2	3,144.1
Total Income (A)	**57,165.0**	**83,648.6**	**280.0**	**2,908.7**	**86,277.3**	**-**	**86,277.3**	**73,437.7**	**130,602.7**
EXPENDITURE									
Material Consumed	35,002.7	56,881.4	112.8	(691.5)	56,077.1	-	56,077.1	47,731.8	82,734.5
Employee Cost	9,698.6	15,254.7	126.8	1,164.5	16,292.4	-	16,292.4	13,867.8	23,566.4
Other Expenditure	7,428.8	7,512.8	68.0	2,273.4	9,718.2	-	9,718.2	8,271.9	15,700.7
Total Expenditure (B)	**52,130.1**	**79,648.9**	**307.6**	**2,746.4**	**82,087.7**	**-**	**82,087.7**	**69,871.5**	**122,001.6**
Profit Before Interest, Depreciation, Taxation & Extra-ordinary items (A-B)	**5,034.9**	**3,999.7**	**(27.6)**	**162.3**	**4,189.6**	**-**	**4,189.6**	**3,566.2**	**8,601.1**
Depreciation & Amortization	1,704.2	2,696.5	18.6	(199.3)	2,478.6	-	2,478.6	2,109.7	3,813.9
Interest and Finance Charges (net)	621.7	829.7	3.5	11.1	837.3	334.2	1,171.5	997.0	1,618.7
Total (C)	**2,325.9**	**3,526.2**	**22.1**	**(188.2)**	**3,315.9**	**334.2**	**3,650.1**	**3,106.7**	**5,432.6**
Profit Before Taxation & Extra-Ordinary items (A-B-C)	**2,709.0**	**473.5**	**(49.7)**	**350.5**	**873.7**	**(334.2)**	**539.5**	**459.5**	**3,168.5**
Provision for Taxation									
Current Tax (including wealth tax)	1,063.1	125.7	0.4	9.3	134.6	-	134.6	114.5	1,177.6
Deferred Tax Expense / (Credit)	(65.4)	(323.5)	(12.6)	309.9	(1.0)	-	(1.0)	(0.9)	(66.3)
Fringe Benefit Tax	34.8	-	-	-	-	-	-	-	34.8
TOTAL (D)	**1,032.5**	**(197.8)**	**(12.2)**	**319.2**	**133.6**	**-**	**133.6**	**113.6**	**1,146.1**
Net Profit after taxation before Extra-Ordinary Items & Adjustments (A-B-C-D)	**1,676.5**	**671.3**	**(37.5)**	**31.3**	**740.1**	**(334.2)**	**405.9**	**345.9**	**2,022.4**
Add: Share of profit of associates (net)	9.9	-	18.3	-	(18.3)	**-**	(18.3)	(15.5)	(5.6)
Net Profit Before Restatement Adjustments	**1,686.4**	**671.3**	**(19.2)**	**31.3**	**721.8**	**(334.2)**	**387.6**	**330.4**	**2,016.8**
-- Concern share	1,400.0	407.8	164.0	14.1	257.9	(334.2)	(76.3)	(55.8)	1,344.2
-- Minority	286.4	263.5	(183.2)	17.2	463.9	-	463.9	386.2	672.6
Restatement Adjustments:									
a. Material adjustments relating to previous years	117.3	-	-	-		-			117.3
b. Deferred tax impact of the above adjustments	(0.3)	-	-	-		-			(0.3)
c. Current tax impact of the above adjustments	(14.8)	-	-	-		-			(14.8)
d. Impact of provision (current tax) of earlier years written off/ written back	133.8	-	-	-		-			133.8
e. Deferred tax not recognised earlier	-	-	-	-		-			-
Net Profit before	**1,922.4**	**671.3**	**(19.2)**	**31.3**	**721.8**	**(334.2)**	**387.6**	**330.4**	**2,252.8**

	(A)	(B)	(C)	(D)	(E=B-C+D))	(F)	(G=(E+F))	(H)	(I = (A+H))
Particulars	**SMFL (Restated) Period: From 01-04-2010 to 31-03-2011**	**Peguform Holding GmbH (Consolidated, regrouped) Period: From 01-01-2010 to 31-12-2010 (Refer note (a)(i))**	**SMP Group Adjustments (Same structure) Period: From 01-01-2010 to 31-12-2010 (Refer note (a)(ii) and (a)(iii))**	**SMP Group Adjustments (SMFL group accounting policies) Period: From 01-01-2010 to 31-12-2010 (Refer note (b))**	**SMP Group (Combined financial Statements) Period: From 01-01-2010 to 31-12-2010**	**SMP Group (Acquisition adjustments) Period: From 01-01-2010 to 31-12-2010 (Refer note (c))**	**SMP Group (Combined financial statements post acquisition) Period: From 01-01-2010 to 31-12-2010**	**SMP Group (SMFL share) Period: From 01-01-2010 to 31-12-2010 (Refer note (d))**	**Total**
adjustments on account of changes in accounting policies									
a. Adjustments on account of changes in Accounting Policies	(0.3)	-	-	-		-			(0.3)
b. Deferred Tax impact of the above adjustments	-	-	-	-		-			-
Net Profit, as Restated	**1,922.1**	**671.3**	**(19.2)**	**31.3**	**721.8**	**(334.2)**	**387.6**	**330.4**	**2,252.5**
-- Concern share	1,592.5	407.8	164.0	14.1	257.9	(334.2)	(76.3)	(55.8)	1,536.7
-- Minority	329.6	263.5	(183.2)	17.2	463.9	-	463.9	386.2	715.8
Addition on change in holding in consolidated companies	64.0	-	-	-		-			64.0
Adjustment on account of Amalgamation	(219.4)	-	-	-		-			(219.4)
Addition on change in holding in consolidated companies on Restatement									
Add: Balance brought forward from previous year, as Restated	1,402.7	-	-	-		-			1,402.7
Surplus Available for Appropriations, as Restated	**2,839.8**	**407.8**	**164.0**	**14.1**	**257.9**	**(334.2)**	**(76.3)**	**(55.8)**	**2,784.0**
APPROPRIATIONS									
Transfer to Capital Redemption Reserve	-	-	-	-		-			-
Transfer to General Reserve	124.0	-	-	-		-			124.0
Proposed Dividend on Preference Shares of consolidated companies	5.4	-	-	-		-			5.4
Tax paid by consolidated companies	59.1	-	-	-		-			59.1
TOTAL	**188.5**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**188.5**
Balance Carried to Balance Sheet, as restated	**2,651.3**	**407.8**	**164.0**	**14.1**	**257.9**	**(334.2)**	**(76.3)**	**(55.8)**	**2,595.5**

Samvardhana Motherson Finance Limited

Pro forma Condensed Consolidated Profit and Loss Account for the nine months' interim period ended December 31, 2011 **INR Millions**

	(A)	(B)	(C)	(D)	(E)	(F=(C-D+E))	(G)	(H=(F+G))	(I)	(J = (A-B+I))
Particulars	**SMFL (Restated) Period: From 01-04-2011 to 31-12-2011**	**SMPL (Restated) Period: From 23-11-2011 to 31-12-2011 (Refer note (a)(iv))**	**SMP Group (Regrouped) Period: From 01-01-2011 to 30-09-2011 (Refer note (a)(i))**	**SMP Group Adjustments (Same structure) Period: From 01-01-2011 to 30-09-2011 (Refer note (a)(ii))**	**SMP Group Adjustments (SMFL group accounting policies) Period: From 01-01-2011 to 30-09-2011 (Refer note (b))**	**SMP Group (Combined financial statements) Period: From 01-01-2011 to 30-09-2011**	**SMP Group (Acquisition adjustments) Period: From 01-01-2011 to 30-09-2011 (Refer note (c))**	**SMP Group (Combined financial statements post acquisition) Period: From 01-01-2011 to 30-09-2011**	**SMP Group (SMFL share) Period: From 01-01-2011 to 30-09-2011 (Refer note (d))**	**Total**
INCOME										
Net Sale of Finished Goods	**58,615.5**	**9,797.5**	**82,097.3**	**1,005.4**	**(1,097.9)**	**79,994.0**	**-**	**79,994.0**	**68,089.3**	**116,907.3**
- Manufactured	57,854.6	9,797.5	82,097.3	1,005.4	(1,097.9)	79,994.0	-	79,994.0	68,089.3	116,146.4
- Traded	760.9	-	-	-	-	-	-	-	-	760.9
Income from Services	959.2	-	-	-	-	-	-		-	959.2
Other Income	670.5	76.3	1,938.8	11.7	(66.2)	1,860.9	-	1,860.9	1,583.9	2,178.1
Total Income (A)	**60,245.2**	**9,873.8**	**84,036.1**	**1,017.1**	**(1,164.1)**	**81,854.9**	**-**	**81,854.9**	**69,673.2**	**120,044.6**
EXPENDITURE										
Material Consumed	37,758.2	6,178.5	58,457.8	436.7	(3,052.9)	54,968.2	-	54,968.2	46,787.7	78,367.4
Employee Cost	10,279.7	1,770.3	13,904.4	433.5	1,749.2	15,220.1	-	15,220.1	12,955.1	21,464.5
Other Expenditure	9,568.4	2,238.7	9,034.0	108.4	242.4	9,168.0	-	9,168.0	7,803.6	15,133.3
Total Expenditure (B)	**57,606.3**	**10,187.5**	**81,396.2**	**978.6**	**(1,061.3)**	**79,356.3**	**-**	**79,356.3**	**67,546.4**	**114,965.2**
Profit Before Interest, Depreciation, Taxation & Extra-ordinary items (A-B)	**2,638.9**	**(313.7)**	**2,639.9**	**38.5**	**(102.8)**	**2,498.6**	**-**	**2,498.6**	**2,126.8**	**5,079.4**
Depreciation & Amortization	1,683.7	254.8	2,184.3	22.8	(128.5)	2,033.0	-	2,033.0	1,730.5	3,159.4
Interest and Finance Charges (net)	1,290.6	598.9	955.1	13.9	(49.8)	891.4	286.5	1,177.9	1,002.7	1,694.4
Total (C)	**2,974.3**	**853.7**	**3,139.4**	**36.7**	**(178.3)**	**2,924.4**	**286.5**	**3,210.9**	**2,733.2**	**4,853.8**
Profit Before Taxation & Extra-Ordinary items (A-B-C)	**(335.4)**	**(1,167.4)**	**(499.5)**	**1.8**	**75.5**	**(425.8)**	**(286.5)**	**(712.3)**	**(606.4)**	**225.6**
Provision for Taxation										
Current Tax (including wealth tax)	905.2	132.5	169.0	11.3	-	157.7	-	157.7	134.2	906.9
Deferred Tax Expense / (Credit)	26.0	81.5	528.6	5.2	(527.7)	(4.3)	-	(4.3)	(3.7)	(59.2)
Fringe Benefit Tax	20.9	-	-	-	-	-	-	-	-	20.9
TOTAL (D)	**952.1**	**214.0**	**697.6**	**16.5**	**(527.7)**	**153.4**	**-**	**153.4**	**130.5**	**868.6**
Net Profit after taxation before Extra-Ordinary Items & Adjustments (A-B-C-D)	**(1,287.5)**	**(1,381.4)**	**(1,197.1)**	**(14.7)**	**603.2**	**(579.2)**	**(286.5)**	**(865.7)**	**(736.9)**	**(643.0)**
Add: Share of profit of associates (net)	9.3	**(9.4)**	-	5.8	-	(5.8)	**-**	(5.8)	(4.9)	13.8

	(A)	(B)	(C)	(D)	(E)	(F=(C-D+E))	(G)	(H=(F+G))	(I)	(J = (A-B+I))
Particulars	**SMFL (Restated) Period: From 01-04-2011 to 31-12-2011**	**SMPL (Restated) Period: From 23-11-2011 to 31-12-2011 (Refer note (a)(iv))**	**SMP Group (Regrouped) Period: From 01-01-2011 to 30-09-2011 (Refer note (a)(i))**	**SMP Group Adjustments (Same structure) Period: From 01-01-2011 to 30-09-2011 (Refer note (a)(ii))**	**SMP Group Adjustments (SMFL group accounting policies) Period: From 01-01-2011 to 30-09-2011 (Refer note (b))**	**SMP Group (Combined financial statements) Period: From 01-01-2011 to 30-09-2011**	**SMP Group (Acquisition adjustments) Period: From 01-01-2011 to 30-09-2011 (Refer note (c))**	**SMP Group (Combined financial statements post acquisition) Period: From 01-01-2011 to 30-09-2011**	**SMP Group (SMFL share) Period: From 01-01-2011 to 30-09-2011 (Refer note (d))**	**Total**
Net Profit Before Restatement Adjustments	**(1,278.2)**	**(1,390.8)**	**(1,197.1)**	**(8.9)**	**603.2**	**(585.0)**	**(286.5)**	**(871.5)**	**(741.8)**	**(629.2)**
-- Concern share	(911.2)	(1,265.9)	(1,413.3)	(221.8)	481.1	(710.4)	(286.5)	(996.9)	(839.9)	(485.2)
-- Minority	(367.0)	(124.9)	216.2	212.9	122.1	125.4	-	125.4	98.1	(144.0)
Restatement Adjustments:										
a. Material adjustments relating to previous years	(132.0)	-	-	-	-		-		-	(132.0)
b. Deferred tax impact of the above adjustments	(0.1)	-	-	-	-		-		-	(0.1)
c. Current tax impact of the above adjustments	16.2	-	-	-	-		-		-	16.2
d. Impact of provision (current tax) of earlier years written back	(133.8)	-	-	-	-		-		-	(133.8)
e. Deferred tax not recognized earlier	-	-	-	-	-		-		-	-
Net Profit before adjustments on account of changes in accounting policies	**(1,527.9)**	**(1,390.8)**	**(1,197.1)**	**(8.9)**	**603.2**	**(585.0)**	**(286.5)**	**(871.5)**	**(741.8)**	**(878.9)**
a. Adjustments on account of changes in Accounting Policies	-	-	-	-	-		-		-	-
b. Deferred Tax impact of the above adjustments	-	-	-	-	-		-		-	-
Net Profit, as Restated	**(1,527.9)**	**(1,390.8)**	**(1,197.1)**	**(8.9)**	**603.2**	**(585.0)**	**(286.5)**	**(871.5)**	**(741.8)**	**(878.9)**
-- Concern share	(1,113.6)	(1,265.9)	(1,413.3)	(221.8)	481.1	(710.4)	(286.5)	(996.9)	(839.9)	(687.6)
-- Minority	(414.3)	(124.9)	216.2	212.9	122.1	125.4	-	125.4	98.1	(191.3)
Addition on change in holding in consolidated companies	15.4	-	-	-	-		-		-	15.4
Adjustment on account of Amalgamation	-	-	-	-	-		-		-	-
Addition on change in holding in consolidated companies on Restatement	2.8	-	-	-	-		-		-	2.8
Add: Balance brought forward from previous year, as Restated	2,651.3	-	407.8	164.0	14.1	257.9	(334.2)	(76.3)	(55.8)	2,595.5
Surplus Available for Appropriations, as Restated	**1,555.9**	**(1,265.9)**	**(1,005.5)**	**(57.8)**	**495.2**	**(452.5)**	**(620.7)**	**(1,073.2)**	**(895.7)**	**1,926.1**
APPROPRIATIONS										
Transfer to Capital	-	-	-	-	-		-		-	-

	(A)	(B)	(C)	(D)	(E)	(F=(C-D+E))	(G)	(H=(F+G))	(I)	(J = (A-B+I))
Particulars	**SMFL (Restated) Period: From 01-04-2011 to 31-12-2011**	**SMPL (Restated) Period: From 23-11-2011 to 31-12-2011 (Refer note (a)(iv))**	**SMP Group (Regrouped) Period: From 01-01-2011 to 30-09-2011 (Refer note (a)(i))**	**SMP Group Adjustments (Same structure) Period: From 01-01-2011 to 30-09-2011 (Refer note (a)(ii))**	**SMP Group Adjustments (SMFL group accounting policies) Period: From 01-01-2011 to 30-09-2011 (Refer note (b))**	**SMP Group (Combined financial statements) Period: From 01-01-2011 to 30-09-2011**	**SMP Group (Acquisition adjustments) Period: From 01-01-2011 to 30-09-2011 (Refer note (c))**	**SMP Group (Combined financial statements post acquisition) Period: From 01-01-2011 to 30-09-2011**	**SMP Group (SMFL share) Period: From 01-01-2011 to 30-09-2011 (Refer note (d))**	**Total**
Redemption Reserve										
Transfer to General Reserve	2.9	-	-	-	-		-		-	2.9
Proposed Dividend on Preference Shares of consolidated companies	2.2	-	-	-	-		-		-	2.2
Tax paid by consolidated companies	79.4	-	-	-	-		-		-	79.4
TOTAL	**84.5**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	**84.5**
Balance Carried to Balance Sheet, as restated	**1,471.4**	**(1,265.9)**	**(1,005.5)**	**(57.8)**	**495.2**	**(452.5)**	**(620.7)**	**(1,073.2)**	**(895.7)**	**1,841.6**

Samvardhana Motherson Finance Limited

Notes to the Pro forma Condensed Consolidated Financial Information as of and for the year ended March 31, 2011 and the nine months' interim period ended December 31, 2011

Background

On November 23, 2011, Samvardhana Motherson B.V. (SMBV), a wholly owned subsidiary of Samvardhana Motherson Polymers Limited (SMPL), incorporated in The Netherlands, together with its subsidiary Forgu GmbH (together referred to as overseas Special Purpose Vehicles) acquired 80% equity in Peguform Iberica, SL (including its subsidiaries and joint ventures) and a 50% stake in each of Wethje Entwicklungs, GmbH, Wethje Carbon Composite, GmbH (including its wholly owned subsidiary Die Wethje GmbH Kunststofftechnik) (together referred to as Wethje Group) and also acquired 74.8% equity in Peguform GmbH (now known as SMP Deutschland GmbH) (including its subsidiaries and joint ventures) with another 5.2% equity in Peguform GmbH being acquired by Samvardhana Motherson Global Holdings Limited (SMGHL). Peguform Iberica, SL and SMP Deutschland GmbH (including their respective subsidiaries and joint ventures) and Wethje Group are hereinafter collectively referred to as "SMP Group". SMPL and SMGHL are 49%:51% joint ventures of Samvardhana Motherson Finance Limited (SMFL or the Company) and Motherson Sumi Systems Limited (MSSL).

The following unaudited pro forma financial information gives effect to the acquisition of the SMP group by SMPL and SMGHL for cash consideration of Euros 141.5 Million, of which SMFL's share is Euros 69.3 Million and MSSL's share is Euros 72.2 Million. The entire consideration for this acquisition is financed through US Dollar denominated loans taken by overseas Special Purpose Vehicles and SMGHL. These loans have been guaranteed by the Company and MSSL in the ratio of 49% and 51% respectively. As explained in footnote (d) below, the Company consolidates 85.1% of the SMP group in its consolidated financial statements.

Basis of Preparation

The pro forma consolidated financial information of the Company comprising the pro forma balance sheet as at March 31, 2011, the pro forma statement of profit and loss for the year ended March 31, 2011, and the pro forma statement of profit and loss for the nine month' interim period ended December 31, 2011, read with the notes to the pro forma financial information, has been prepared as per the request of the Book Running Lead Managers to reflect the acquisition of the SMP group. Because of their nature, the pro forma financial information addresses a hypothetical situation and, therefore, do not represent SMFL's actual consolidated financial position or results. They purport to indicate the results of operations that would have resulted had the acquisition been completed at the beginning of the period presented and the consolidated financial position had the acquisition been completed as at the year end, but are not intended to be indicative of expected results or operations in the future periods or the future financial position of SMFL. The pro forma adjustments are based upon available information and assumptions that the management of SMFL believes to be reasonable. Such pro forma financial information has not been prepared in accordance with the requirements of Regulation S-X of the U.S. Securities and Exchange Commission or generally accepted practice in the United States of America ("U.S."). Accordingly, the degree of reliance placed by U.S. investors on such pro forma information should be limited. In addition, the rules and regulations related to the preparation of pro forma financial information in other jurisdictions may also vary significantly from the basis of preparation as set out in paragraphs below to prepare these pro forma financial statements.

As explained in the following paragraphs, the unaudited pro forma balance sheet as at March 31, has been prepared to reflect the acquisition by SMFL of the SMP group (jointly with MSSL) as of March 31, 2011. The unaudited pro forma statements of income for the year ended March 31, 2011 and the nine months' interim period ended December 31, 2011 combine the financial statements of consolidated SMFL and the SMP group (acquired by SMFL and MSSL as of November 23, 2011) for the aforesaid period as if the acquisition occurred on April 1, 2010 and April 1, 2011, respectively, for the two pro forma statements of income. The financial year end of the Company is March 31, whereas the financial year end for the SMP group is December 31. The results of operation and the financial position the SMP group have been considered with a 3 month lag in preparing the consolidated pro forma financial information as permitted by AS 21 – "Consolidated Financial Statements". There were no significant events/transactions during the intervening periods which required adjustments to be made to the pro forma financial information. The adjustments made to the pro forma financial information are included in the following section.

Translations of amounts from Euros to INR for the convenience of the reader were calculated using the EUR/ INR RBI reference rates of 59.8 as at December 31, 2010 for the SMP group financial statements and related pro forma adjustments as at and for the period ended December 31, 2010 (included in the pro forma financial information as at and for the year ended March 31, 2011) and of 66.6 as at September 30, 2011 for the SMP group financial statements and related pro forma adjustments for the period ended September 30, 2011 (included in the pro forma financial information for the period ended December 31, 2011). No representation is made that the Euro amounts could have been, or could be, converted into INR at such rate.

The unaudited pro forma condensed consolidated financial information is based on:

(a) the restated consolidated balance sheets and profit and loss accounts of SMFL as of and for the year ended March 31, 2011 and as of and for the nine months' interim period ended December 31, 2011 (Included elsewhere in the Prospectus);

(b) the audited consolidated balance sheet and profit and loss account of erstwhile Peguform Holding GmbH, Wels (holding company for the SMP group) prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("EU IFRS") as of and for the year ended December 31, 2010 on which other firms of accountants have expressed an unmodified audit opinion in their report dated May 16, 2011; and

(c) the audited combined profit and loss account of SMP Group for the nine months' interim period ended September 30, 2011 (regrouped to conform to the presentation followed by SMFL prepared in accordance with policies and instructions contained in SMBV Group's accounting manual and SMFL specific instructions. These policies and instructions are principally based on EU IFRS, with the exception of the principles for capital consolidation which have been adjusted to the nature of combined financial statements.), on which other firms of accountants have expressed unmodified audit opinion in their report dated April 3, 2012.

Pro forma adjustments

The following adjustments have been made to present the unaudited pro forma condensed consolidated financial information:

(a) Adjustments to historical financial statements to reflect the post acquisition group structure:

The following adjustments have been made to the historical financial statements (as mentioned above) to present the acquired entities consistently with the post acquisition group structure.

(i) The audited consolidated financial statements of Peguform Holding GmbH were presented as per EU IFRS. These have been regrouped to conform the presentation to the SMFL restated financial information.

(ii) Under EU IFRS, the Wethje group was consolidated on a line by line basis in Peguform Holding GmbH and shown as minority interest to the extent of 100%. The 50% interest acquired by the Company in the Wethje group qualifies to be accounted for as an associate using the equity method of accounting in accordance with AS 23 – "Accounting for Investments in Associates in Consolidated Financial Statements". Accordingly the investment in the Wethje group is presented as such for all the periods for purposes of the pro forma financial information to reflect this.

(iii) The standalone financial statements for the erstwhile Peguform Holding GmbH, which is not acquired by the Company, are included in the audited consolidated balance sheet and profit and loss account of erstwhile Peguform Holding GmbH prepared as of and for the year ended December 31, 2010. The standalone financials for erstwhile Peguform Holding GmbH has been excluded through an adjustment for the year ended December 31, 2010.

(iv) The restated consolidated profit and loss account of SMFL for the nine months interim period ended December 31, 2011 includes the results of the SMP group post acquisition (November 23, 2011 to December 31, 2011). These have been eliminated for the purposes of preparation of the unaudited

pro forma condensed consolidated financial statements. This also includes the onetime costs related to the acquisition (Refer note (c) (iv) below).

(b) The audited combined financial statements of SMP group have been adjusted to comply with SMFL group accounting policies in all material aspects which are based on the applicable accounting standards notified under section 211 (3C) of the Companies Act, 1956 (collectively referred to as "Group accounting policies" (Included elsewhere in the Prospectus). The following significant GAAP adjustments have been made to present the unaudited pro forma condensed consolidated financial statements in accordance with the group accounting policies:

(i) **Purchase price adjustments:** The SMP group had recorded purchase price adjustments for acquisitions made in the prior years accounted for in accordance with the purchase method. These have been reversed to record the acquired assets and liabilities at their respective book values along with the corresponding impact on the related goodwill / capital reserve, depreciation / amortization and deferred taxes.

(ii) **Valuation of defined benefit plans:** An adjustment is recognized to account for the differential in the discount rate used for the actuarial valuations based on yields on government securities and that based on high quality corporate bond yields under SMP group accounting policy.

(iii) **Accounting for the Joint Venture investment:** The SMP group has accounted for its investment in the Joint venture - Celulosa Fabril (CEFA) S.A using the equity method of accounting. For purposes of the pro forma financial information the results and financial position of the Celulosa Fabril (CEFA) S.A are consolidated using the proportionate consolidation method. This does not impact the net profit for the year/ period.

(iv) **Deferred tax assets on brought forward tax losses:** The SMP group had recognized deferred tax assets on brought forward tax losses based on reasonable certainty regarding the realisability of these assets. An adjustment has been made to reverse the previously recognized net deferred tax assets to the extent that the Company is not virtually certain of realizing them in the succeeding years for purposes of the pro forma financial information amounting to Rs. 514.4 Million (Euros 8.6 Million) as at December 31, 2010 with an adjustment of Rs. 323.0 Million (Euros 5.4 Million) to opening retained earnings and Rs. 218.9 Million (Euros 3.7 Million) to the profit and loss account for the year ended March 31, 2011. Subsequently in 2011 the deferred tax asset amounting to Rs. 515.9 Million (Euros 7.7 Million) was reversed under EU IFRS due to uncertainty regarding its realization. Since this asset is already reversed for the pro forma financial information in the prior year, this amount is shown as a credit adjustment in the pro forma Profit and Loss account for the period ended December 31, 2011. An additional amount of Rs. 60.0 Million (Euros 0.9 Million) was credited to the profit and loss account for the nine months' interim period ended December 31, 2011 being the reversal of the net DTA as at March 31, 2011.

(v) **Revenue related to Tooling contracts:** The SMP group is following the percentage of completion method (POCM) to recognize revenue on tooling contracts. Under group accounting policies revenue from tooling contracts is recognized using the completed contract method. An adjustment has been made to reverse the sales recorded on the basis of the POCM and record them on actual completion of the contract.

(c) Acquisition related adjustments:

(i) As explained above, for purposes of the pro forma balance sheet the acquisition was assumed to have taken place as at March 31, 2011. The goodwill has been calculated based on the balance sheet of the SMP group (excluding the Wethje Group) as at December 31, 2010 after giving effect to the adjustments described in (a) and (b) above. The book value of the net assets of the SMP Group (excluding the Wethje group) acquired amounted to Rs. 6,248.2 Million (Euros 104.5 Million). Accordingly an amount of Rs.1, 498.2 Million (Euros 25.1 Million), being the excess of the purchase consideration over the net assets acquired has been recognised as goodwill on consolidation under Fixed Assets, based on the principles of AS 21 – "Consolidated Financial Statements". 5.2% equity acquired by SMGHL is accounted as per AS-13 – "Accounting for Investments" and no goodwill is calculated thereon for the Company's stake in SMGHL. However since SMGHL is consolidated by MSSL, an additional goodwill equivalent to Rs. 5.80 Million (Euros 0.1 Million) being the

Company's share of MSSL's investment in SMGHL has been recorded. Appropriate adjustment has also been made to (d) below to ensure that this is not eliminated.

(ii) As explained above, for purposes of the pro forma balance sheet the acquisition was assumed to have taken place as at March 31, 2011. The goodwill has been calculated based on the balance sheet of the Wethje group as at December 31, 2010.The book value of the net assets of the Wethje Group acquired amounted to Rs. 237.1 Million (Euros 4.0 Million). Accordingly an amount of Rs.151.7 Million (Euros 2.5 Million), being the excess of acquisition cost over the net assets acquired has been recognised as goodwill on consolidation and included as a part of Investments in Associates based on the principles of AS 23 – "Accounting for Investments in Associates in Consolidated Financial Statements". The accounting policies followed by the Wethje group are broadly consistent with the Company's policies.

(iii) The financing of the entire transaction has been done by way of debt (denominated in US Dollars) taken from a syndicate of banks amounting to Rs.8, 463.1 Million (Euros 141.5 Million) which has been used to discharge the purchase consideration. The Secured loans appearing in the unaudited pro forma condensed consolidated balance sheet as at March 31, 2011 have been increased by this amount assuming that the acquisition happened as of that date. An imputed interest expense on this loan amount has been recorded in the unaudited pro forma condensed consolidated profit and loss account under "Finance Costs" for both the periods presented. For the purposes of reflecting the pro forma balance sheet, the loans are assumed to have been taken on the date of the balance sheet and accordingly do not reflect the accrued interest thereon.

For purposes of the pro forma financial information the foreign exchange translation gain / (loss) arising from the translation of the loans has not been considered for both the periods presented to ensure that both the periods presented are comparable.

(iv) The Company has incurred one time acquisition costs amounting to Rs. 325.4 Million (Euros 5.4 Million) during the nine months' interim period ended December 31, 2011, comprising of due diligence expenses, proportionate upfront fees related to the loans obtained for the acquisition and other expenses directly related to the acquisition of the SMP Group. These have not been adjusted in the unaudited condensed consolidated profit and loss account for the year ended March 31, 2011 since they are one off expenses. However a liability of an equivalent amount has been recorded in the unaudited pro forma condensed consolidated balance sheet as at March 31, 2011 under Liabilities assuming that the acquisition happened as of that date with a corresponding impact in Reserves and Surplus. For the purposes of the pro forma profit and loss account for nine months' interim the period ended December 31, 2011, these expenses have been reversed through the adjustment under (a) (iv) above hence no additional adjustment has been recorded.

(v) The minority interest in the net assets and results of operations of the SMP group comprises of the 20% interest in Peguform Iberica, SL and SMP Deutschland GmbH (formerly Peguform GmbH) (including their subsidiaries and joint ventures) held by Cross Industries and the 5.2% interest in SMP Deutschland GmbH (formerly Peguform GmbH) (including their subsidiaries and joint ventures) held by SMGHL since SMFL reflects its interest in SMGHL using the proportionate consolidation method.

(d) **SMFL share:**

The Company holds 49% in SMPL as at December 31, 2011. It also has 36.1% shareholding in MSSL and accounts for MSSL as a joint venture following guidance under AS 27 'Financial Reporting of Interests in Joint Ventures' using the proportionate consolidation method. MSSL holds 51% share in SMPL and it is consolidated as a subsidiary of MSSL as per AS 21- 'Consolidated financial statements'. The consolidated financial statements of SMFL include 85.1% of SMPL (49% directly and 36.1% through MSSL). It has been assumed that this share of 85.1% has remained constant for the year ending March 31, 2011 and the nine months' interim period ended December 31, 2011 for the preparation of the pro forma financial statements.

An additional adjustment has been made to the minority interest to ensure that the minority interest has been accurately stated to the extent of 49% of the 5.2% interest that the Company holds in SMP Deutschland GmbH through SMGHL.

(e) **Use of proceeds**

One of the objects of the proposed offering is to repay a part of the acquisition related debt. Since the pro forma financial information has been prepared for purposes of illustrating the hypothetical impact of the acquisition, no adjustment has been made for the use of proceeds or related share issue expenses.

(f) Other than as mentioned above, no additional adjustments have been made to the unaudited pro forma consolidated balance sheet or the income statement to reflect any trading results or other transactions of the Company or the SMP group entered into subsequent to December 31, 2011 for the Company and September 30, 2011 for the SMP Group.

Additional Note:

Subsequent to the approval of this pro forma financial information on April 11, 2012 by the Board of Directors of the Company, it is now further clarified that the scope of work and the terms of agreement of the statutory auditors, as agreed with the management of the Company, are not in variance with relevant provisions of the Companies Act, the SEBI Act and the (Revised) Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India, respectively. This revised pro forma financial information has been approved by the Board of Directors of the Company by way of a circular resolution on April 19, 2012.

FINANCIAL INFORMATION OF THE RELEVANT ENTITIES IN RELATION TO ACQUISITION OF THE PEGUFORM COMPANIES

The Board of Directors,
Samvardhana Motherson Finance Limited
2nd Floor, F-7 Block B1,
Mohan Cooperative Industrial Estate
Mathura Road
New Delhi – 110044
India

January 2012, 24th

Acquisition of Peguform Companies

The following is the Accountants report in relation to the Statement of Assets and Liabilities and Profit and Loss of Peguform Companies:

Dear Sirs,

We are attaching a schedule containing the following, which has been initiated for identification purposes:

Profit and Loss Account of the Peguform Companies for the calendar years ended and Statement of Assets and Liabilities as on December 2010, December 2009, December 2008, December 2007 and December 2006.

Accountants Report

The Peguform Companies comprises the following entities:

Corporate structure (see Appendix One)

In August 2009, the Peguform Companies was divested from the POLYTEC Group (Polytec Holding AG, Linz/Austria) and transferred to the Pierer-Knünz Group (Peguform Beteiligungs GmbH, Wels/Austria). In December 2009, 89% of the Peguform Companies was integrated into CROSS Industries AG, Wels, Austria as a part of a share transfer.

The consolidated financial statements of the Peguform Companies for 2010 year were prepared on the basis of Peguform Holding GmbH, Wels/Austria. In December 2010, the shares in Peguform GmbH, Bötzingen/Germany were sold by Peguform Luxembourg Holding S.a.r.l., Luxembourg and Peguform Netherlands B.V., Amsterdam/Netherland to Peguform Beteiligungs GmbH; Wels/Austria (90%) and UIAG Automotive Beteiligungs GmbH, Wien/Austria (10%). Furthermore, 100% of the shares in Peguform Iberica S.L., Polyna del Valles/Spain were sold by Peguform Luxembourg Holding S.a.r.l., Luxembourg to Peguform Beteiligungs GmbH, Wels/Austria.

Shares in Peguform GmbH, Bötzingen/Germany and Peguform Iberica S.L., Polyna del Valles/Spain were also transferred in December 2010 to Peguform Holding GmbH Wels/Austria, which was founded the end of 2009. The previous holding companies Peguform Luxembourg Holding S.a.r.l., Luxembourg, Peguform Luxembourg S.a.r.l., Luxembourg and Peguform Netherlands B.V., Amsterdam/Netherland has been in liquidation as of the 2010 balance sheet date.

Basis of Preparation:

1. The attached schedule has been extracted from the audited consolidated financial statements of the Peguform Companies made available to us.

2. These historical financial statements were prepared in "Euro" on consolidated basis in accordance with International Financial Reporting Standards (IFRS) as applicable in the European Union (EU) and were audited by "independent auditors" as given hereunder:

Calendar Year	Parent Company	Auditors
2010	Peguform Holding GmbH	KPMG
2009	Peguform Luxemburg Holding S.a.r.l	KPMG
2008	Peguform Luxemburg Holding S.a.r.l	KPMG
2007	Peguform Luxemburg Holding S.a.r.l	PWC
2006	Peguform Luxemburg Holding S.a.r.l	PWC

3. We have made no adjustments to the attached schedule that has been extracted from the audited financial statements on account of change in holding structure or whatsoever. This schedule is prepared on the basis of audited historical financial statements on a consolidated basis that is made available to us.

4. Basic information results from:

   Peguform Holding GmbH, Wels
   Bericht über die Prüfung des Konzernabschlusses zum 31. Dezember 2010
   from Mai 2011, 16.
   Auditor: KPMG Austria GmbH Wirtschaftsprüfungs-Steuerberatungsgesellschaft

   Peguform Luxembourg Holding S.à r.l., Luxemburg
   Bericht über die Prüfung des Konzernabschlusses zum 31. Dezember 2009
   From April 2010, 22.
   Auditor: KPMG Austria GmbH Wirtschaftsprüfungs- Steuerberatungsgesellschaft

   Peguform Luxembourg Holding S.à r.l., Luxembourg
   Report on the review of the condensed consolidated financial statements
   to 31 December 2008 from September 2009, 16.
   Auditor: KPMG Austria GmbH Wirtschaftsprüfungs- Steuerberatungsgesellschaft (Auditors and tax consultants)

   Peguform Luxembourg Holding S.à r.l., Luxembourg
   Consolidated financial statement as of December 31, 2007 from Mai 2008, 9.
   Revisor: PricewaterhouseCoopers Société à responsabilité limitée Réviseur d'Entreprises

   Peguform Luxembourg Holding S.à r.l., Luxembourg
   Consolidated financial statement as of December 31, 2006 from June 2007, 1.
   Revisor: PricewaterhouseCoopers Société à responsabilité limitée Réviseur d'Entreprises

Statement of Assets and Liabilities: (*See appendix two)*

Statement of Profit and Loss (*See appendix three)*

Audit Company:

OWT✓ Oberrheinische Wirtschaftstreuhand GmbH
Wirtschaftsprüfungsgesellschaft
Basler Strasse 61, 79100 Freiburg, Germany

Designation / Membership No.:
Wirtschaftsprüferkammer - Körperschaft des öffentlichen Rechts / 151006600

Auditor:
Diplom Betriebswirt (FH)
Jürgen F. Hartmann
Wirtschaftsprüfer · Steuerberater

Appendix One : Corporate Structure

		2010		2009		2008 (2)		2007		2006	
Entity	**City, Country**	**Capital Share**	**Minority Share**	**Capital Share**	**Minority Share**	**Capital Share**	**Minority Share**	**Capital Share**	**Minority Share**	**Capital Share**	**Minority Share**
Peguform Holding GmbH	Wels, Austria	Parent Company									
Peguform Luxemburg Holding S.a.r.l	Luxembourg			Parent Company		Parent Company		Parent Company		Parent Company	
Peguform GmbH	Bötzingen, Germany	90%	10%	100%		100%		100%		100%	
Peguform Slovakia	Galanta, Slovakia	(1) 90%									
Peguform Personalleasing GmbH	Bötzingen, Germany	(1) 90%		100%		100%		100%		100%	
Changchun Peguform Automotive Plastics Technology Co., Ltd.	Chanchun, China	45%		50.001%		50.001%					
Peguform Corporate Mangement Services (Changchun) Co., Ltd.		(1) 90%									
Wethje Carbon Composite GmbH	Hengersberg, Germany		100%								
Die Wethje Gmbh Kunststofftechnik	Hengersberg, Germany		100%								
Wethje Entwicklungs GmbH	Vilshofen-Pleinting, Germany		100%								
Peguform Iberica S.L.	Polyna del Valles, Spain	100%	1	100%	1	100%	1	100%		100%	
Peguform de Teruel S.L.	Fuentes Claras/Teruel, Spain	100%		100%		100%		100%		100%	
Peguform Module Division Iberica Cockpits S.L.	Martorell, Spain	100%		100%		100%		100%	3	100%	3
Peguform Portugal S.A.	Palmela, Portugal	100%		100%		100%		100%			
Peguform do Brasil Ltda.	Curitiba, Brasil	100%		100%		100%		100%		100%	
Peguform Mexico S.A de C.V.	Puebla, Mexico	100%	1	100%	1	100%	1	100%		100%	
Shock Absorb de Mexico S.A de C.V.	Puebla, Mexico	100%	1	100%	1	100%	1	100%	1	100%	1
Fabrica de Parachoques de Mexico S.A de C.V.	Puebla, Mexico	100%	1	100%	1	100%	1	100%	1	100%	1
Peguform Luxemburg S.a.r.l	Luxembourg			100%		100%		100%		100%	
Peguform Netherlands B.V.	Amsterdanm, Netherland			100%		100%		100%		100%	
Peguform Module Division Iberica Front Ends S.L.	Sant Esteve, Spain			100%		100%		100%		100%	
PDN Holding Germany	Bötzingen, Germany					100%		100%		100%	
PDN Real Estate Germany	Bötzingen, Germany					100%		100%		100%	
Peguform Composites s.r.o.	Chodova Plana, Czech Republic					100%		100%		100%	

(1) According to the audited financial statement 2010 95 %

(2) No Information in the audited financial statement - Information from internal documents

At-Equity consolidated Companies

Celulosa Fabril S.A.	Saragossa, Spain	50%		50%		50%		50%		50%	
Changchun Peguform Automotive Plastics Technology Co., Ltd.	Chanchun, China							37,3%			

Not consolidated Companies

Peguform Corporate Management Services (Changchun) Co. Ltd.	Changchun, China			100%							

Appendix two: Statement of Assets and Liabilities

		EUR thousands	INR Millions
	As at	**30-Dec-2010**	**30-Dec-2010**
A	Fixed Assets	363,062	21,715
	Gross Block	757,965	45,334
	Accumulated Depreciation	-394,903	-23,619
	Net Book Value	363,062	21,715
B	Investments	8,814	527
C	Current Assets, Loans and Advances	351,235	21,007
	Inventories	69,521	4,158
	Sundry Debtors	184,698	11,047
	Cash & Bank Balances	42,317	2,531
	Loans & Advances	54,699	3,272
D	Liabilities and Provisions	474,447	28,377
	Loan Funds	-	0
	Secured Loans	173,713	10,390
	Unsecured Loans	-	-
	Current Liabilities	267,592	16,005
	Provisions	33,142	1,982
E	Deferred Tax Liability/ (Asset) (Net)	14,567	871
F	Net Worth (A+B+C-D-E)	234,097	14,001
G	Owner's Capital	193,035	11,545
H	Minority Interest	41,062	2,456
I	Net Worth	234,097	14,001

In consideration of different balance sheet disclosure to the german accounting legislation

Note:
1 Euro = 59.81 Indian Rupees
Source: Reserve Bank of India (RBI) reference rates (At the end of each calendar year)

Appendix three /1: Statement of Profit and Loss

					In EUR '000
	12m	*12m*	*12m*	*12m*	*12m*
Particulars	***CY 10***	***CY 09***	***CY 08***	***CY 07***	***CY 06***
Revenues	***1,355,530***	***1,151,603***	***1,381,028***	***1,430,578***	***1,224,494***
Change in Inventories and own work capitalized	*7.65*	*-1.026*	*-3.943*	*4.018*	*23*
Other operating income	*43.042*	*62.024*	*47.999*	*54.440*	*43.074*
Cost of Materials and Services	*-958.685*	*-797.504*	*-972.702*	*-982.923*	*-782.515*
Personnel Expenses	*-255.053*	*-236.121*	*-260.657*	*-256.523*	*-252.768*
Depreciation, Amortization and Impairments	*-45.084*	*-48.376*	*-100.603*	*-69.701*	*-86.429*
Other operating expenses	*-125.611*	*-113.314*	*-142.429*	*-127.200*	*-129.994*
Result from operating activities	***21.788***	***17.286***	***-51.307***	***52.689***	***15.885***
Finance income	*1.76*	*2.766*	*4.316*	*2.302*	*2.967*
Finance expenses	*-16.535*	*-19.166*	*-29.996*	*-22.244*	*-18.864*
Financial Costs	***-14.775***	***-16.4***	***-25.68***	***-19.942***	***-15.897***
Result from financial investments	*903*	*684*	*714*	*685*	*145*
Earning Before Tax (EBT)	***7.916***	***1.57***	***-76.273***	***33.432***	***133***
Income taxes	*3.306*	*-4.654*	*9.742*	*-5.185*	*-4.805*
Result from continuing operations	***11.222***	***-3.084***	***-66.531***	***28.247***	***-4.672***
Discontinued operations					
Result from discontinued operations	*0*	*-18.319*	*-2.868*	*0*	*0*
Result for the period	***11.222***	***-21.403***	***-69.399***	***28.247***	***-4.672***
thereof profit or loss attributable to minority interests	*4.405*	*3.94*	*502*	*0*	*0*
thereof profit or loss attributable to shareholders	*6.817*	*-25.343*	*-69.901*	*28.247*	*-4.672*
Result for the period	***11.222***	***-21.403***	***-69.399***	***28.247***	***-4.672***
Changes in other reserves	*1.427*				
Currency translation adjustment foreign subsidiaries	*4.225*	*395*	*984*		
Comprehensive income	***16.874***	***-21.008***	***-68.415***	***28.247***	***-4.672***
thereof profit or loss attributable to minority interests	*5.821*	*3.508*			
thereof profit or loss attributable to shareholders	*11.054*	*-24.516*			

Appendix three / 2: Statement of Profit and Loss

					In INR Millions
	12m	*12m*	*12m*	*12m*	*12m*
Particulars	***CY 10***	***CY 09***	***CY 08***	***CY 07***	***CY 06***
Revenues	***81,074***	***77,238***	***94,214***	***83,145***	***71,339***
Change in Inventories and own work capitalised	*458*	*-69*	*-269*	*234*	*1*
Other operating income	*2,574*	*4,160*	*3,274*	*3,164*	*2,509*
Cost of Materials and Services	*-57,339*	*-53,489*	*-66,358*	*-57,127*	*-45,589*
Personnel Expenses	*-15,255*	*-15,837*	*-17,782*	*-14,909*	*-14,726*
Depreciation, Amortisation and Impairments	*-2,696*	*-3,245*	*-6,863*	*-4,051*	*-5,035*
Other operating expenses	*-7,513*	*-7,600*	*-9,717*	*-7,393*	*-7,573*
Result from operating activities	***1,303***	***1,159***	***-3,500***	***3,062***	***925***
Finance income	*105*	*186*	*294*	*134*	*173*
Finance expenses	*-989*	*-1,285*	*-2,046*	*-1,293*	*-1,099*
Financial Costs	***-884***	***-1,100***	***-1,752***	***-1,159***	***-926***
Result from financial investments	*54*	*46*	*49*	*40*	*8*
Earning Before Tax (EBT)	***473***	***105***	***-5,203***	***1,943***	***8***
Income taxes	*198*	*-312*	*665*	*-301*	*-280*
Result from continuing operations	***671***	***-207***	***-4,539***	***1,642***	***-272***
Discontinued operations					
Result from discontinued operations	*0*	*-1,229*	*-196*	*0*	*0*
Result for the period	***671***	***-1,435***	***-4,734***	***1,642***	***-272***
thereof profit or loss attributable to minority interests	*263*	*264*	*34*	*0*	*0*
thereof profit or loss attributable to shareholders	*408*	*-1,700*	*-4,769*	*1,642*	*-272*
Result for the period	***671***	***-1,435***	***-4,734***	***1,642***	***-272***
Changes in other reserves	*85*	*0*	*0*	*0*	*0*
Currency translation adjustment foreign subsidiaries	*253*	*26*	*67*	*0*	*0*
Comprehensive income	***1,009***	***-1,409***	***-4,667***	***1,642***	***-272***
thereof profit or loss attributable to minority interests	*348*	*235*	*0*	*0*	*0*
thereof profit or loss attributable to shareholders	*661*	*-1,644*	*0*	*0*	*0*
Exchange Rate (EUR/ INR)	***59.81***	***67.07***	***68.22***	***58.12***	***58.26***

Source: Reserve Bank of India (RBI) reference rates (At the end of each calendar year

SUMMARY OF CERTAIN DIFFERENCES BETWEEN INDIAN GAAP AND IFRS

The Company's audited financial information is prepared and presented in accordance with Indian GAAP. The financial information included herein has been prepared on the basis of the Company's audited financial information, restated in accordance with the SEBI Regulations. Certain differences exist between Indian GAAP and International Financial Reporting Standards (IFRS) which might be material to the financial information herein. The matters described below summarize certain differences between Indian GAAP and IFRS 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 and IFRS and has not quantified such differences. Accordingly, no assurance is provided that the following Summary of differences between Indian GAAP and IFRS 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 and IFRS, and how those differences might affect the financial information herein.

The summary includes various IFRS and Indian GAAP pronouncements issued for which the mandatory application dates are later than the date of this Prospectus. Indian GAAP comprises accounting standards notified under section 211 (3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956 and certain provisions of Listing Agreements with the stock exchanges of India. In certain cases, the Indian GAAP description also refers to Guidance Notes issued by the Institute of Chartered Accountants of India that are recommendatory but not mandatory in nature and also certain accounting treatments specified by a Court Order in a Scheme of Amalgamation/Arrangement.

IFRS	INDIAN GAAP
A. ACCOUNTING FRAMEWORK:	
A.1. HISTORICAL COST OR FAIR VALUATION	
Historical cost is the main accounting convention. However, IFRS permits the revaluation (class wise) of intangible assets, property, plant and equipment, investment property, inventories in certain industries (e.g. commodity broker/dealer). IFRS also requires certain categories of financial instruments and certain biological assets to be reported at fair value.	Historical cost is the main accounting convention. However, Indian GAAP permits the revaluation of property, plant and equipment. Certain derivatives are accounted for at fair values. On notification of AS 30 and AS 31, certain categories of financial instruments and derivatives will be reported at fair value.
A.2. FIRST-TIME ADOPTION OF ACCOUNTING FRAMEWORK	
IFRS includes a specific standard on how to apply IFRS for the first time. It introduces certain relief and imposes certain requirements and disclosures. First-time adoption of IFRS as the primary accounting basis requires full retrospective application of IFRS effective at the reporting date for an entity's first IFRS financials, with certain optional exemptions and limited mandatory exceptions. Comparative information is prepared and presented on the basis of IFRS. Almost all adjustments arising from the first-time application of IFRS are adjusted against opening retained earnings of the first period presented on an IFRS basis. Some adjustments are made against goodwill or other classes of equity. In an entity's first IFRS financials, it must present reconciliations of income statement in respect of the last period reported under previous GAAP, of equity at the end of that period and of equity at the start of the earliest period presented in comparatives in those first IFRS financial statements.	Accounting principles should be consistent for financial information presented in comparative financial statements. Indian GAAP does not give specific guidance on first time adoption of its accounting principles. However, first -time adoption of Indian GAAP requires full retrospective application. Some standards specify the transitional treatment upon first- time application of a standard. No rules for carve-out entities or first- time preparation of financial statements for the public.
B. FINANCIAL STATEMENTS:	
B.1.1.COMPARATIVES	

IFRS	INDIAN GAAP
One year of comparatives is required for all numerical information in the financial statements, with limited exceptions in disclosures. In limited note disclosures, more than one year of comparative information is required. On adoption of IAS 1R, opening balance sheet of earliest comparative period will be required on a retrospective change in an accounting policy, retrospective restatement, or reclassification of items in its financial statements.	One year of comparatives is required for all numerical information in the financial statements, with limited exceptions in disclosures.
B.1. 2. PREPARATION AND PRESENTATION	
Financial statements are presented on a consolidated basis. In limited circumstances or on a voluntary basis, an entity may present single-entity parent company (standalone) financial statements along with its consolidated financial statements.	Financial statements are presented on a single-entity parent company (standalone) basis. Pursuant to the listing agreement with stock exchanges, public listed companies are required to present consolidated financial statements along with their standalone annual financial statements.
B.2. BALANCE SHEET	
B.2.1. FORMAT	
The presentation of current and non- current assets and liabilities (a classified balance sheet) is required, except when a liquidity presentation is more relevant. All assets and liabilities are presented broadly in order of liquidity in such cases. Otherwise there is no prescribed balance sheet format, and management may use judgment regarding the form of presentation in many areas. However, as a minimum, IFRS requires presentation of certain items on the face of the balance sheet.	Indian companies should comply with the Companies Act, 1956 and industry-specific regulatory requirements. However w.e.f. financial year ending March 31, 2012, The Companies Act, 1956 prescribes a new format for the preparation of financial statements, now financial statements should be prepared in accordance with the Companies (Accounting Standards) Rules, 2006 ('Accounting Standards Rules') and the Revised Schedule VI of the Companies Act, 1956, which is similar to IFRS. However Accounting standards do not prescribe a particular format, except presentation of certain items on the face of the balance sheet. Other industry regulations prescribe industry-specific formats of the balance sheet.
B.2.2 CURRENT/NON-CURRENT DISTINCTION	
Current assets include accounts receivable due within 12 months, cash and cash equivalents, assets held for trading, other assets held for sale or consumed in the normal course of the entity's operating cycle etc. Current liabilities would include liabilities held for trading or expected to be realised within 12 months of the balance sheet date. Interest-bearing liabilities are classified as current when they are due to be realised or settled within 12 months of the balance sheet date, even if the original term was for a period of more than 12 months.	No strict distinction between current and non-current. Companies follow formats prescribed by the Companies Act, 1956 or industry regulations. Long term loans are classified between secured loan and unsecured loan on the balance sheet date. However, the current and non-current portion is disclosed in notes. However w.e.f. financial year ending March 31, 2012, The Companies Act, 1956 prescribes a new format for the preparation of financial statements, now financial statements should be prepared in accordance with the Companies (Accounting Standards) Rules, 2006 ('Accounting Standards Rules') and the Revised Schedule VI of the Companies Act, 1956, which contains more detailed classification for current / non-current items., which is similar to IFRS.
If completed after the balance sheet date, neither an agreement to refinance or reschedule payments on a long-term basis nor the negotiation of a debt covenant waiver would result in non-current classification of debt, even if executed before the financial statements are issued.	No specific guidance.
Deferred taxes are classified as non- current on the balance sheet with current and non-current break up discussed in notes.	Deferred tax is classified as deferred tax asset or liability, net, is disclosed without segregation between current and non-current. As per revised Schedule VI, deferred tax is classified as non – current.
B.2.3. OTHER BALANCE SHEET CLASSIFICATION	
Non Controlling interests are presented as a component of equity.	Minority interests are presented separately from liabilities and equity.
B.3. INCOME STATEMENT	

IFRS	INDIAN GAAP
B.3.1. FORMAT	
No prescribed format for the income statement. Entities can present their expenses either by function or nature. Additional disclosure of expenses by nature is required if functional presentation is used.	There is no prescribed format for the income statement. However, the accounting standards and the Companies Act, 1956 prescribe disclosure norms for certain income and expenditure items. In practice, the expenses are generally presented by nature. However w.e.f. financial year ending March 31, 2012, The Companies Act, 1956 prescribes a new format for the preparation of income statement, now income statements should be prepared by nature in accordance with the Companies (Accounting Standards) Rules2006 ('Accounting Standards Rules') and the Revised Schedule VI of the Companies Act, 1956.
An entity that discloses an operating result should include all items of an operating nature, including those that occur irregularly or infrequently or are unusual in amount within that caption.	Other industry regulations prescribe industry-specific format of the income statement.
The portion of income statement attributable to the non controlling interest and to the parent entity is separately disclosed on the face of the income statement as allocations of income statement for the period.	Amounts attributable to the minority interest are presented as a component of net income or loss.
Fringe benefit tax is included as a part of related expense (fringe benefit) which gives rise to incurrence of tax.	Disclosed as a separate item after profit before tax on the face of income statement. Although, Finance Act 2009 has withdrawn Fringe benefit tax w.e.f. Assessment Year 2010-2011.
B.3.2. EXCEPTIONAL (SIGNIFICANT) ITEMS	
The term exceptional items is not used or defined. However, separate disclosure is required (either on the face of the income statement or in the notes) of items of income and expense that are of such size, nature or incidence that their separate disclosure is necessary to explain the performance of the entity for the period.	Similar to IFRS, except that the Companies Act, 1956 uses the term non-recurring transactions or transactions of exceptional nature.
B.3.3. EXTRAORDINARY ITEMS	
Disclosure of items as extraordinary item is prohibited.	These are defined as events or transactions clearly distinct from the ordinary activities of the entity and are not expected to recur frequently and regularly. Disclosure of the nature and amount of each extraordinary item is required in the income statement in a manner that its impact on current income statement can be perceived.
B.4. STATEMENT OF CHANGES IN EQUITY (SOCIE), SORIE, STATEMENT OF COMPREHENSIVE INCOME, OTHER COMPREHENSIVE INCOME AND STATEMENT OF ACCUMULATED OTHER COMPREHENSIVE INCOME	
The statement must be presented as a primary statement. The statement shows capital transactions with owners, the movement in accumulated profit and a reconciliation of all other components of equity	No separate statement of changes in shareholders' equity is required. Movement in equity accounts are disclosed in separate note of 'Share Capital' and 'Reserves and Surplus'.
Statement of changes in shareholders' equity would present: (a) Total comprehensive income for the period; showing separately the total amounts attributable to owners of the parent and to minority interest (b) For each component of equity, the effects of retrospective application or retrospective restatement recognised in accordance with IAS 8 (c) The amounts of transactions with owners in their capacity as owners, showing separately contributions	Same as above

IFRS	INDIAN GAAP
by and distributions to owners and (d) For each component of equity, reconciliation between the carrying amount at the beginning and the end of the period, separately disclosing each change.	
The components of other comprehensive income would include: (a) Changes in revaluation surplus (on account of PPE and intangibles) (b) Actuarial gains and losses on defined benefit plans recognised in full in equity, if the entity elects the option available under IAS19 (c) Gains and losses arising from translation of a foreign operation (d) Gains and losses on re- measuring available-for- sale financial assets (e) Effective portion of gains and losses on hedging instruments in a cash flow hedge.	Same as above
B.5. CASH FLOW STATEMENT	
B.5.1. DEFINITION OF CASH AND CASH EQUIVALENTS	
Cash is cash on hand, and demand deposits and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. An investment normally qualifies as a cash equivalent only when it has a maturity of three months or less from its acquisition date. Cash may also include bank overdrafts repayable on demand but not short-term bank borrowings; these are considered to be financing cash flows.	Similar to IFRS except bank overdrafts are not included in cash and cash equivalents; changes in the balances of overdrafts are classified as financing cash flows, rather than being included within cash and cash equivalents.
B.5.2 CLASSIFICATION OF SPECIFIC ITEMS	
i) Interest and dividend paid — Operating or financing activities. ii) ii) Interest and dividend received — Operating or investing activities. iii) iii) Taxes paid — Operating, unless specific identification with financing or investing.	(i) Interest and dividend paid activities. — Financing (ii) Interest and dividend received — Investing activities. (iii) Taxes paid — Similar to IFRS.
B.6. CHANGES IN ACCOUNTING POLICY AND OTHER ACCOUNTING CHANGES	
B.6.1. CHANGES IN ACCOUNTING POLICY	
Changes in accounting policy under IFRS are accounted for retrospectively. Comparative information is restated, and the amount of the adjustment relating to prior periods is adjusted against the opening balance of retained earnings of the earliest year presented. Effect of retrospective adjustments on equity items is presented separately in the SoCIE. An exemption applies when it is impracticable to change comparative information. Policy changes made on the adoption of a new standard are accounted for in accordance with that standard‘s transition provisions. The method described above is used if transition provisions are not specified.	The cumulative amount of the change is recognised and disclosed in the income statement in the period of the change with a explanatory note in regard to the effect of the change. Transition provisions of certain new standards require adjustment of the cumulative amount of the change to opening retained earnings (reserves).
B.6.2. DISCLOSURE OF ACCOUNTING POLICIES AND CRITICAL ESTIMATES	
In addition to summary of accounting policies, entities are required to disclose: a) The judgements that management has made in the process of applying its accounting policies b) Key assumptions concerning that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and c) An implementing change in accounting policy, before	No such disclosure required. However, in practice, if a standard is early adopted it is disclosed in the notes.

IFRS	INDIAN GAAP
implementing a new standard, interpretation or amendment under IFRS, which has been issued but is not yet effective, is required to be disclosed under IAS 8. The disclosure includes the title of the pronouncement, nature date when the entity is likely to apply, and discussion of the impact on initial application or a statement to the effect that impact is not known.	
B.6.3. CORRECTION OF ERRORS (PRIOR PERIOD ITEMS)	
The nomenclature used in IFRS is fundamental errors which covers all items in the financial statements including assets and liabilities. The reporting requirements are similar to changes in accounting policy.	Unlike IFRS, the definition of 'Prior period items' is restricted to income or expenses in current period occurring as a result of errors or omissions in the preparation of financial statements of prior period(s). Reported as a prior-period adjustment separately in the income statement in a manner that its impact on the income statement can be perceived. Restatement of comparatives is prohibited.
B.6.4. CHANGES IN ACCOUNTING ESTIMATES	
Changes in accounting estimates are accounted for in the income statement when identified.	Similar to IFRS. However, the impact of change in depreciation method (considered as change in accounting policy under Indian GAAP) is determined by retrospectively computing depreciation under the new method, and is recorded in the period of change whereas on revision of asset life, the unamortised depreciable amount is charged over the revised remaining asset life.
C. REVENUE RECOGNITION:	
Two primary revenue standards capture all revenue transactions within one of four broad categories: a) Sale of Goods b) Rendering of Services c) Other‘s use of an entity‘s asset (yielding interest, royalties etc.) d) Construction contracts. Revenue recognition criteria for each of these categories includes a probability that the economic benefits associated with the transaction will flow to the entity and that the revenue and costs can be measured reliably. Additional recognition criteria apply within each broad category. The principles laid out within each of the categories are generally to be applied without significant further rules and/or exceptions.	Similar to IFRS, except that in certain circumstances, revenue from the rendering of services is recognized only on completion of service e.g. in the case of tooling sold to customers. . Further, unlike IFRS, the accounting standard on revenue recognition does not provide guidance on measurement of revenue.
D. EXPENSE RECOGNITION – EMPLOYEE BENEFITS:	
D.1. EXPENSE RECOGNITION - ACTUARIAL GAINS AND LOSSES	
An entity can either (1) recognise immediately in the income statement or (2) amortise into income statement through the use of corridor approach (or any systematic method that result in faster recognition than corridor approach) or (3) recognise immediately outside of the income statement through SoRIE (or OCI under IAS 1R).	There is no option, but to recognise the actuarial gains/losses immediately (in full) in the income statement.
D.2. RECOGNITION OF ASSET OR LIABILITY IN RESPECT OF A DEFINED BENEFIT PLAN (BALANCE SHEET PRESENTATION)	
The amount recognised as a defined benefit asset (or liability) is the present value of the defined benefit obligation, less the fair value of plan assets, plus or minus actuarial gains/losses not yet recognised as a result of the application of the 'corridor' approach and unrecognised	Similar to IFRS except that actuarial gains/losses are recognised fully in the year of their occurrence as a part of present value of defined benefit obligation.

IFRS	INDIAN GAAP
past service cost.	
D.3. DISCOUNT RATE FOR OBLIGATIONS	
Based on market yields on high- quality corporate bonds with durations that are similar to those of the benefit obligation. Government bond yields are used, where there is no deep market in high- quality corporate bonds.	Based on government bond market-yields with durations that are similar to those of the benefit obligation.
D.4. BALANCE SHEET ASSET LIMITATION	
Asset limited to the lower of: (1) The asset resulting from applying the standard; or (2) The total of any unrecognised actuarial losses and past-service cost, and the present value of any available refunds from the plan or reduction in future contributions to the plan. The guidance also governs the treatment and disclosure of amounts, if any, in excess of the asset ceiling.	Asset limited to the lower of: (1) The asset resulting from applying the standard; or (2) The present value of any available refunds from the plan, or reduction in future contributions to the plan.
D.5. SUBSTANTIVE COMMITMENT TO PROVIDE PENSION OR OTHER POST-RETIREMENT BENEFITS	
In certain circumstances, a history of regular increases may indicate (1) A present commitment to make future plan amendments (2) That additional benefits will accrue to prior-service periods. In such cases, the substantive commitment (to increased benefits) is the basis for determination of the obligation.	Broadly similar to **IFRS**. However, there could be difference in practice.
D.6. TERMINATION BENEFITS	
Termination benefits are recorded when the entity is demonstrably committed to a reduction in workforce. Termination indemnities are generally payable regardless of the reason for the employee's departure. The payment of such benefits is certain (subject to any vesting or minimum service requirements), but the timing of their payment is uncertain. Termination indemnities are accounted for consistently with pension obligations (i.e., including a salary progression element and discounting).	Termination benefits arising from redundancies are accounted for provisions similar to restructuring provisions, i.e., when the entity has a present obligation as a result of past event and the liability is considered probable and can be reliably estimated. If an offer is made to encourage voluntary redundancy, the measurement of termination benefits is based on the actual number of employees accepting the offer and is immediately expensed. However, as a transition provision, for the liability incurred on termination benefits up to 31 March 2009, entities may defer such cost over its pay-back period but any unamortised amount cannot be carried forward to accounting periods commencing on or after 1April 2010. Hence, the expenditure so deferred should be written off over (a) the pay- back period or (b) the period from the date on which expenditure on termination benefits is incurred to1 April 2010, whichever is shorter Accounting for termination indemnities is similar to IFRS.
E. ASSETS-NONFINANCIAL ASSETS	
E.1. PROPERTY, PLANT AND EQUIPMENT (PPE)	
E.1.1. INITIAL MEASUREMENT	
PPE, at initial measurement, comprises the purchase price plus costs directly attributable to bringing the asset to the location and working condition necessary for it to be capable of operating in the way management intends. Start-up and pre-production costs are not capitalised unless they are a necessary part of bringing the asset to its working condition. The following are also included in the initial measurement of the asset: · The costs of site preparation · Initial delivery and handling costs · Installation and assembly costs	Similar to IFRS, except that there is no specific guidance on the measurement of gains/losses on qualifying cash flow hedges and Capitalisation of dismantling and site restoration costs. Also, expenditure during the construction period are allocated to respective fixed assets at the time of completion/installation. Asset retirement obligation (ARO) is required to be capitalized without discounting.

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· Costs of employee benefits arising from construction or acquisition of the asset · Costs of testing whether the asset is functioning properly ·Professional fees · Fair value gains/losses on qualifying cash flow hedges relating to the purchase of PPE in a foreign currency and · The initial estimate of the costs of dismantling and removing the item and restoring the site on which PPE is located. Further, the entity must include borrowing costs incurred during the period of acquiring, constructing or producing the asset for use. Government grants received in connection with acquisition of PPE may be offset against the cost.	
E.1.2. SUBSEQUENT EXPENDITURE	
Subsequent maintenance expenditure is expensed as incurred. Replacement of parts may be capitalised when general recognition criteria are met. The cost of a major inspection or overhaul occurring at regular intervals is capitalised where the recognition criteria are satisfied. The net book value of any replaced component would be expensed at the time of overhaul.	Similar to IFRS, except that the replaced components are charged to profit & loss account.
E.1.3. SUBSEQUENT MEASUREMENT	
PPE is accounted using either the cost model or the revaluation model a company needs to take a policy choice. PPE is carried at cost less accumulated depreciation and impairment. If revaluation model is adopted, an entire class of asset is revalued. Revaluations have to be kept sufficiently up-to-date to ensure that the carrying amount does not differ materially from fair value. An increase on revaluation is credited directly to equity as revaluation surplus, unless it reverses a revaluation decrease for the same asset previously recognised as an expense. In this case it is recognised in the income statement. A decrease on revaluation is charged directly against any related revaluation surplus for the same asset; any excess is recognised as an expense.	PPE is carried at cost less accumulated depreciation and impairment. Revaluation is permitted. If assets are revalued, an entire class of asset or selection of assets (e.g., assets of a unit) made on a systematic basis is revalued. Frequency of revaluation is not specified. Similar to IFRS, except the term used is revaluation reserve.
E.1.4. DEPRECIATION	
The depreciable amount of an item of PPE (cost or valuation less residual value) is allocated on a systematic basis over its useful life, reflecting the pattern in which the entity consumes the assets benefits. Additionally, an entity is required to depreciate separately the significant parts of PPE if they have different useful lives (component approach). For example, it may be appropriate to depreciate separately the airframe and engines of an aircraft. Depreciation on revalued portion cannot be recouped from the revaluation surplus.	The depreciable amount of an item of PPE is allocated on a systematic basis over its useful life, but a governing statute may provide rates for depreciation, where those rates would prevail. However, where the useful life determined by management is shorter than that envisaged under the relevant statute, the depreciation is computed by applying a higher rate. For example, Schedule XIV of the Companies Act, 1956 provide minimum rate of depreciation for companies. Generally, a component approach is not required or followed for depreciation. Depreciation on revalued portion is recouped from the revaluation reserve.
E.1.5. CHANGE IN	
DEPRECIATION METHOD AND LIFE OF ASSET	
Both are treated as a change in accounting estimate,	Change in depreciation method is determined by

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reflected in the depreciation charge for the current and prospective periods.	retrospectively computing depreciation under the new method and the impact is recorded in the period of change. However, on revision of asset life, the unamortised depreciable amount is charged prospectively over the revised remaining asset life.
E.1.6. PERIODIC REVIEWS	
The depreciation method is reviewed periodically; residual values and useful lives are reviewed at each balance sheet date.	Periodic reviews of depreciation methods, residual values and useful lives are not specifically required.
E.2.1. GRANTS IN THE FORM OF NON-MONETARY ASSETS	
Grants are accounted at fair value and presented in the balance sheet either as deferred income or deducting the grant from the asset. Alternatively, asset and grant are recognised at nominal amount.	Grants given at a concessional rate are accounted for on the basis of their acquisition cost. If a non- monetary asset is given free of cost, it is recorded at a nominal value.
E.2.2. GRANTS IN THE FORM OF NON- DEPRECIABLE ASSET	
All grants are recognised as income over the periods which bear the cost of meeting the obligation, on a systematic basis. It specifically prohibits recognition of grants directly in the shareholders funds.	Similar to IFRS. Alternatively, the amount of grant can be recorded directly within capital reserves forming part of shareholders funds. Further, it requires promoters contribution to be credited directly to capital reserve.
E.2.3. REFUNDABLE GRANTS	
Repayment of a grant related to income is applied first against any unamortised deferred credit set up in respect of the grant. In case of shortfall, the repayment is recognised immediately as an expense. Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income. If the carrying amount of the asset has been increased, it requires retrospective recomputation of depreciation and the cumulative additional depreciation that would have been recognised to date as an expense in the absence of the grant is recognised immediately as an expense.	Similar to IFRS, except where the carrying amount of the asset has been increased, depreciation on the revised book value is provided prospectively over the residual life of the asset.
E.3. INTANGIBLE ASSETS	
E.3.1. SUBSEQUENT MEASUREMENT - ACQUIRED AND INTERNALLY GENERATED INTANGIBLES	
Intangible assets are accounted using either the cost model or the revaluation model a company needs to take a policy choice. Intangible assets are carried at cost less accumulated amortization (only for finite life intangible) and impairment. If the revaluation model is adopted, subsequent revaluation of intangible assets to their fair value is based on prices in an active market. Revaluations are performed regularly and at the same time for all assets in the same class. However, revaluation model is rarely used in practice.	All intangible assets are carried at cost less accumulated amortisation and impairment. Revaluation model is prohibited.
E.3.2. AMORTISATION - ACQUIRED AND INTERNALLY GENERATED INTANGIBLES	
If the asset has a finite life, they are amortised, from the date when the asset is available for use, else the asset with an indefinite life are tested at least annually for impairment. There is no presumed maximum life.	All intangible assets are amortised over their estimated useful life, from the date when the asset is available for use, with a rebuttable presumption that the useful life does not exceed ten years.
E.4. INVESTMENT PROPERTY	
E.4.1. DEFINITION	
Property (land and/or building) held in order to earn rentals and/or for capital appreciation. It would include property being constructed or developed for future use as investment	Property (land and building) not intended to be occupied substantially for use by, or in the operations of, the investing enterprise.

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property (from period beginning on or after 1 Jan 2009). The definition does not include owner-occupied property or property held for sale in the ordinary course of business.	
E.4.2. INITIAL MEASUREMENT	
The same cost-based measurement is used for acquired and self-constructed investment property. The cost of a purchased investment property comprises its purchase price and any directly attributable costs, such as professional fees for legal services, property transfer taxes and other transaction costs. Property acquired under finance or operating lease can also be classified as investment property. Specific rules exist for accounting for property acquired under an operating lease as investment property.	Acquired investment property would be classified as long-term investment with initial measurement, similar to IFRS. Self-constructed property is accounted for as PPE until construction is complete; then it becomes investment property . Property acquired under finance or operating lease is outside the scope of investment property acquired under an operating lease as investment property.
E.4.3. SUBSEQUENT MEASUREMENT	
The entity can choose between the fair value and depreciated cost models for all investment property, including the investment property under construction or development. When fair value is applied, the gain or loss arising from a change in the fair value is recognised in the income statement and the carrying amount is not depreciated. Where the fair value is not reliably measurable for investment property under construction or development, the property may be measured at cost until the completion of construction or the date at which fair value becomes reliably measurable, whichever is earlier Rules of Impairment testing applies.	Investment property is treated as long-term investment and carried at cost less depreciation and provision for diminution in value of investment, which is other than temporary, is made. Reversal of diminution provision is permitted.
E.5. IMPAIRMENT OF LONG-LIVED ASSETS HELD FOR USE	
E.5.1. RECOGNITION AND MEASUREMENT	
An entity should assess at each reporting date whether there are any indications that an asset may be impaired. The asset is tested for impairment if there is any such indication. Irrespective of indication, an annual test is also required for intangible assets with indefinite useful lives or not yet ready for use.	Similar to IFRS, except that annual test is required only for intangible assets that are amortised for a period longer than ten years and for intangible assets not yet ready for use.
E.6. LEASES	
E.6.1. DETERMINATION WHETHER AN ARRANGEMENT CONTAINS A LEASE	
Under IFRS if a transaction or a series of transaction does not take the legal form of a lease but renders a right to use an asset in return for a payment or series of payments, it is required for an entity to determine whether such an arrangement is a lease e.g. outsourcing arrangements, take-or-pay contracts, arrangement to transfer right of capacity in telecom industry etc. Lease determination is based on the substance of the arrangement and an assessment of (1) whether a right to use the asset is conveyed and (2) whether fulfilment of the arrangement depends on the use of a specific asset.	Under Indian GAAP there is no specific guidance, however, in practice, entities may look at IFRS for guidance.
E.6.2. EVALUATION OF THE SUBSTANCE OF TRANSACTIONS WITH LEGAL FORM OF A LEASE	
Under IFRS a series of interrelated transactions that involve the legal form of a lease is linked and accounted for as single transaction, if it is not possible to understand the overall economic effect without reference to the series of the transactions as a whole.	Under **Indian GAAP**, there is no specific guidance. In practice, a series of interrelated transaction may not be viewed as a single transaction, rather will be accounted separately based on terms of individual transaction.
E.6.3. LEASES INVOLVING LAND AND BUILDING	
Under IFRS, land and building elements are considered	However under **Indian GAAP** there is no specific guidance

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separately, unless the land element is not material. This means that nearly all leases involving land and building should be bifurcated into two components, with separate classification considerations and accounting for each component.	on lease of land and building as single component. Land is specifically excluded from the scope of lease accounting (AS 19).
E.7. OTHER ITEMS	
E.7.1. NON-CURRENT ASSETS HELD-FOR-SALE	
A non-current asset is classified as held-for-sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The asset should be available for immediate sale in its present condition, and its sale should be highly probable. Specific criteria must be met to demonstrate that the sale is highly probable. Once classified as held for sale, the asset is measured at the lower of its carrying amount and fair value less costs to sell with any loss being recognised in the income statement. These assets are not depreciated or amortised during the selling period. They are presented separately from other assets in the balance sheet.	Similar to IFRS, except that there is no requirement to classify an asset as held for sale and present it separately on the face of the balance sheet.
F. LIABILITIES–NONFINANCIAL LIABILITIES	
F.1. LIABILITIES – TAXES	
F.1.1 GENERAL CONSIDERATIONS	
F.1.1 BASIS FOR DEFERRED TAX ASSETS AND LIABILITIES	
Temporary differences – i.e., the difference between carrying amount and tax base of assets and liabilities.	Timing differences i.e., the difference between accounting income and taxable income for a period that originate in one period and are capable of reversal in one or more subsequent periods.
F.1.2. MEASUREMENT OF DEFERRED TAX	
F.1.2.1. RECOGNITION OF DEFERRED TAX ASSETS	
Deferred tax assets are recognised when it is considered probable (defined as more likely than not) that sufficient taxable profits will be available to utilise the temporary difference. Valuation allowances are not allowed to be recorded.	Deferred tax assets are recognised (a) if realisation is virtually certain for entities with tax losses carry-forward, whereas (b) If realisation is reasonably certain for entities with no tax losses carry forward.
F.1.2.2. RECOGNITION OF ASSET ON MINIMUM ALTERNATIVE TAX (MAT) CREDIT CARRY FORWARD.	
It is recognised as a deferred tax asset if it is probable (more likely than not) that MAT credit can be used in future years to reduce the regular tax liability.	It is considered as a prepaid tax and recognised as an asset (not as a deferred tax asset) when and to the extent there is convincing evidence that MAT credit will be used in future years to reduce the regular tax liability.
F.1.3. PRESENTATION OF DEFERRED TAX	
F.1.3.1. CURRENT/NON-CURRENT	
Generally, deferred tax assets and liabilities are classified net (within individual jurisdiction) as non-current on the balance sheet. Supplemental note disclosures are included to describe the components of the temporary differences as well as the recoverable amounts bifurcated between amounts recoverable less than or greater than one year from the balance sheet date.	Deferred tax asset, net, is disclosed after 'Net current assets'; whereas deferred tax liability, net, is disclosed after 'Unsecured loans'. However w.e.f. financial year ending March 31, 2012, as per classification in the Revised Schedule VI of the Companies Act, 1956, net Deferred Tax asset or liability should be classified as “non-current”
F.1.3.2. MINIMUM ALTERNATIVE TAX CREDIT CARRY FORWARD	
Disclosed along with any other deferred tax amount.	Disclosed as ―MAT credit entitlement within ―Loans and Advances, with a corresponding credit to the income statement and presented as a separate line item therein. MAT credit utilised is shown as a deduction from ― Provision for Taxation on the liabilities side of the Balance Sheet.
F.2. LIABILITIES – OTHER	
F.2.1. MEASUREMENT	

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The amount recognised as a provision is the best estimate of the expenditure required (the amount an entity would rationally pay to settle the obligation at the balance sheet date). Where there is a continuous range of possible outcomes and each point in that range is as likely as any other, the midpoint of the range is used. The anticipated cash flows are discounted using a pre- tax discount rate (or rates).	Similar to IFRS, except that discounting is not required. In practice, provisions are measured by using a substantial degree of estimation.
F.2.2. CONSTRUCTIVE OBLIGATION	
A provision is recognised when an entity has a present obligation (legal or constructive) as a result of a past event. 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.	Constructive obligations are not considered for recognising provisions; however, provision is to be created in respect of obligations arising from normal business practice or to maintain good business relations or to act in an equitable manner.
G. FINANCIAL INSTRUMENT	
G.1. FINANCIAL ASSETS	
G.1.1 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	
Two sub-categories: financial assets held for trading, and those designated to the category at inception.	Irrevocable decision to designate financial assets at fair value with changes in fair value recognised in the income statement. Unlike IFRS, this decision is not restricted to specific circumstances.
G.1.2. HELD-FOR-TRADING FINANCIAL ASSETS	
Debt and equity securities held for sale in the short term. Includes non- qualifying hedging derivatives.	Accounting similar to IFRS on adoption of AS-30 & AS-31. Similar to IFRS. Frequent buying and selling usually indicates a trading instrument.
G.1.3. HELD-TO-MATURITY INVESTMENTS	
Financial assets held with a positive intent and ability to hold to maturity. Measured at amortised cost using the effective interest rate method.	Accounting similar to IFRS on adoption of AS-30 & AS-31. Currently, As per AS-13, Long- term investments are carried at cost (with provision for other than temporary diminution in value).
G.1.4. LOANS AND RECEIVABLES	
Financial assets with fixed or determinable payments not quoted in an active market. May include loans and receivables purchased, provided their intention is similar, but not interests in pools of assets (for example, mutual funds).	Accounting similar to IFRS on adoption of AS-30 & AS-31. Does not define a loan and receivable category. Industry-specific guidance may also apply.
G.1.5. AVAILABLE-FOR-SALE FINANCIAL ASSETS	
Includes debt and equity securities designated as available for sale, except those classified as held for trading, and those not covered by any of the above categories.	Accounting similar to IFRS on adoption of AS-30 & AS-31. Similar to IFRS, except unlisted equity securities are generally carried at cost (unless either impaired or the fair value option is elected). Currently, As per AS-13, Current investments carried at lower of cost or fair value.
G.1.6. IMPAIRMENT	
Entities should consider impairment when there is an indicator of impairment. A decline in the fair value of a financial asset below its cost that results from the increase in the risk-free interest rate is not necessarily evidence of impairment. An impairment of a security does not establish a	Requires the write-down of long- term investments to income statement when an entity considers a decline in fair value to be other than temporary. It does not specifically lay down indicators of impairment. The reduction in carrying amount is reversed when there is a rise in the value of the investment, or

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new cost basis.	if the reasons for the reduction no longer exist. On adoption of AS 30, AS 31 and AS 32 it will be similar to IFRS.
G.1.7 DERECOGNITION	
Derecognise financial assets based on risks and rewards first; control is secondary test.	Limited guidance on derecognition of assets. In general, derecognised based on transfer of risks and rewards. However, a Guidance Note on Accounting for Securitisation requires derecognition of securitised assets if the originator loses control of the contractual rights that comprise the securitised asset. On adoption of AS 30, AS 31 and AS 32 it will be similar to IFRS.
G.2. FINANCIAL LIABILITIES	
G.2.1 CLASSIFICATION	
Classify capital instruments depending on substance of the issuer's obligations. Preferred shares that are not redeemable, or that are redeemable solely at the option of the issuer, and for which distributions are at the discretion of the issuer, are classified as equity. Preferred shares requiring the issuer to redeem for a fixed or determinable amount at a fixed or determinable future date and for which distributions are not at the discretion of the issuer, are classified as liabilities. However, if dividends are discretionary, the instrument is treated as a compound instrument with a debt and equity component. Preferred shares where the holder has the option of redemption and for which distributions are not at the discretion of the issuer are also classified as liabilities; in addition there is an embedded put option which may have to be accounted for separately.	On adoption of AS 31 it will be similar to **IFRS**. Further when AS 31 becomes notified the requirements of the Companies Act, 1956 would have to be suitably amended. However in practice, classification is based on legal form rather than substance. All preference shares are disclosed separately as share capital under shareholders' funds.
G.2.2 MEASUREMENT	
There are two categories of financial liabilities: those that are recognised at fair value through profit or loss (includes trading), and all others. Financial liabilities aside from those that are trading can only be designated at fair value through profit or loss provided they meet certain criteria. All other (non-trading) liabilities are carried at amortised cost using the effective interest method.	No specific guidance. Generally, liabilities are recorded at face value. On adoption of AS 30 and AS 31 it will be similar to **IFRS**.
G.2.3. DERECOGNITION OF FINANCIAL LIABILITIES	
A financial liability is derecognised when: the obligation specified in the contract is discharged, cancelled or expires; or the primary responsibility for the liability is legally transferred to another party. A liability is also considered extinguished if there is a substantial modification in the terms of the instrument - for example, where the discounted present value of new cash flows differs from the previous cash flows by at least 10%. The difference between the carrying amount of a liability (or a portion thereof) extinguished or transferred and the amount paid for it should be recognised in net income statement for the period.	No specific guidance. In practice, treatment would be similar to IFRS based on substance of the transaction, however, 10% criteria may not be applied. On adoption of AS 30 and AS 31 it will be similar to IFRS.
G.3. EQUITY	
G.3.1. RECOGNITION AND CLASSIFICATION	
An instrument is classified as equity when it does not contain an obligation to transfer economic resources. Preference shares that are not redeemable, or that are redeemable solely at the option of the issuer, and for which distributions are at	The Companies Act, 1956 defines an equity share capital as all share capital which is not a preference share capital. A preference capital is defined as a share capital (a) that with respect to dividends carry a preferential right to be

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the issuers discretion, are classified as equity. Only derivative contracts that result in the delivery of a fixed amount of cash, or other financial asset for a fixed number of an entity's own equity instruments, are classified as equity instruments. All other derivatives on the entity's own equity are accounted for as derivatives.	paid a fixed amount or an amount calculated at a fixed rate and (b) that with respect to capital carries a preferential right to be repaid on a winding up or repayment of capital. Unlike IFRS, an equity component in a compound financial instrument is not bifurcated and accounted separately. These instruments are accounted, as one instrument based on their legal form.
G.3.2. DIVIDENDS ON ORDINARY EQUITY SHARES	
Presented as a deduction in the statement of changes in shareholders equity in the period when authorised by shareholders. Dividends are accounted in the year when declared.	Presented as an appropriation to the income statement. Dividends are accounted in the year when proposed. As per Revised schedule VI, this is to be shown in Reserve and Surplus schedule.
G.4. DERIVATIVES	
A derivative is a financial instrument: a) whose value changes in response to a specified variable or underlying rate (for example, interest rate) b) that requires no or little net investment and c) that is settled at a future date.	In the absence of a specific accounting standard no generic definition is available. The guidance note on Accounting for Equity Index Options and Equity Stock Options uses an inclusive definition and states derivatives include, (a) a security derived from a debt instrument, share, loan, whether secured or unsecured, risk instrument or contract for differences or any other form of security; (b) a contract which derives its value from the prices, or an index of prices, of underlying securities. Currently, disclosure of derivatives has been made as per various announcements. Mark to market loss has been recognised for derivatives at the reporting dates. On adoption of AS 30 and AS31 it will be similar to IFRS.
G.5. HEDGING	
G.5.1. HEDGE ITEMS	
Held-to-maturity investments cannot be designated as a hedged item with respect to interest-rate risk or pre- payment risk. If the hedged item is a financial asset or liability, it may be a hedged item with respect to the risks associated with only a portion of its cash flows or fair value provided that effectiveness can be measured. If the hedged item is a non- financial asset or liability, it may be designated as a hedged item only for foreign currency risk, or in its entirety for all risks because of the difficulty of isolating other risks. If similar assets or similar liabilities are aggregated and hedged as a group, the change in fair value attributable to the hedged risk for individual items should be proportionate to the change in fair value for the group. Hedges are classified as Fair value hedge (Change in fair values to profit& loss account) and Cash flow hedge (only ineffective portion to profit & loss account)	On adoption of AS 30 and AS31 it will be similar to IFRS.
H. CONSOLIDATION	
H.1. INVESTMENTS IN SUBSIDIARIES	
H.1.1. PREPARATION	
Parent entities prepare consolidated financial statements that include all subsidiaries. An exemption applies to a parent: a) That is itself wholly owned or if the owners of the minority interests have been informed about and do not object to the parent not presenting consolidated financial statements, and	Consolidated financial statements are mandatory only for public listed companies, and are optional for other entities.

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b) When the parent's securities are not publically traded nor is in the process of issuing securities in public securities markets and the ultimate or intermediate parent publishes consolidated financial statements that comply with IFRS.	
H.1.2. PRESENTATION OF NON-CONTROLLING OR MINORITY INTEREST	
Non controlling interests are presented as a separate component of equity in the balance sheet. In the income statement, the Non controlling minority interests are presented on the face of the statement, net earnings to equity holders is required.	Minority interest is presented separately from liability and equity on the balance sheet and presented separately as a component of net income or loss in the income statement.
H.2. INVESTMENTS IN JOINT VENTURES	
H.2.1 DEFINITIONS AND TYPES	
A joint venture is defined as a contractual agreement whereby two or more parties undertake an economic activity that is subject to joint control. Joint control is the contractually agreed sharing of control of an economic activity. Unanimous consent of the parties sharing control, but not necessarily all parties in the venture, is required. IFRS distinguishes between three types of joint ventures: a) Jointly Controlled Entities b) Jointly Controlled Operations c) Jointly Controlled Assets	Similar to **IFRS**, except that unanimous consent of parties is not required.
H.2.2. JOINTLY CONTROLLED ENTITIES	
Either the proportionate consolidation method or the equity method is allowed. Proportionate consolidation requires the venturer's share of the assets, liabilities, income and expenses to be either combined on a line-by-line basis with similar items in the venturer's financial statements, or reported as separate line items in the venturer's financial statements. A full understanding of the rights and responsibilities conveyed in management, shareholder and other governing documents is necessary.	Where a joint venture meets the definition of a subsidiary under AS 21, Consolidation (i.e. more than 50% of voting rights or board control), it is treated as a subsidiary and not joint venture. Proportionate consolidation is used.
H.2.3. CONTRIBUTIONS TO A JOINTLY CONTROLLED ENTITY	
A venturer that contributes non- monetary assets, such as shares, PPE or intangibles, to a jointly controlled entity in exchange for an equity interest in the jointly controlled entity recognises in its consolidated income statement the portion of the gain or loss attributable to the equity interests of the other venturers, except when: a) The significant risks and rewards of the contributed assets have not been transferred to the jointly controlled entity. b) The gain or loss on the assets contributed cannot be measured reliably. c) The contribution transaction lacks commercial substance.	Similar to IFRS. However, the exceptions in IFRS have not been expressly clarified in the standard.
H.3. COMMON ISSUES (SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES	
H.3.1. SCOPE EXCEPTION: FOR SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES	
Investment in subsidiary, associate or joint venture that meets, on acquisition, the criteria to be classified as held for sale in accordance with IFRS 5, applies the presentation for assets held for sale (i.e., separate presentation of assets and liabilities to be disposed), rather than normal presentation (consolidation, equity method or proportionate consolidation). A subsidiary is not excluded from consolidation simply	Investment in subsidiary, associate or joint venture is exempted from consolidation, equity method or proportionate consolidation when: a) Control, significant influence or joint control is intended to be temporary because the investment is acquired and held exclusively with a view of subsequent disposal in the near future (not more than12 months). b) It operates under severe long term restrictions which significantly impair its ability to transfer funds to the parent. A subsidiary is not excluded from consolidation simply

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because the investor is a venture capital organisation, mutual fund, unit trust or similar entity. Investment in an associate or joint venture held by venture capital organisations, mutual funds, unit trusts and similar entities including investments-linked insurance funds can be carried at fair value through profit and loss.	because the investor is a venture capital organisation, mutual fund, unit trust or similar entity. Investment in an associate or joint venture cannot be carried at fair value. However, there is a limited revision to AS 23 and AS27 with the introduction of standards on financial instruments, select entities will be allowed to carry investments in associate and joint ventures at fair value - similar to IFRS.
H.3.2. UNIFORM ACCOUNTING POLICIES	
Consolidated financial statements are prepared using uniform accounting policies for like transactions and events in similar circumstances for all of the entities in a group.	Similar to IFRS. However, if it is not practical to use uniform accounting policies that fact should be disclosed together with the proportions of the items to which different accounting policies have been applied.
H.3.3. REPORTING PERIODS	
The consolidated financial statements of the parent, subsidiary, associate and joint venture are usually drawn up at the same reporting date. However, subsidiary / investee accounts of a different reporting date can be used, provided the difference between the reporting dates is no more than three months. Adjustments are made for significant transactions that occur in the gap period.	Similar to IFRS, except that there is no specific gap period in reporting dates suggested by the standard for associates and joint ventures. However, in practice, it would be similar to consolidation of subsidiary requirements (no more than six months).
H.3.4. IMPAIRMENT	
The entire carrying amount of the investment is tested by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount.	Impairment test on investment is applied for decline in value considered other-than-temporary.
H.4. BUSINESS COMBINATIONS	
All business combinations are treated as acquisitions. Assets and liabilities acquired are measured at their fair values. Pooling of interest method is prohibited. Goodwill is capitalised but not amortised. It is tested for impairment at least annually at the cash-generating unit level. After re-assessment of respective fair values of net assets acquired, any excess of acquirer‘s interest in the net fair values of acquirer‘s identifiable assets is recognised immediately in the income statement.	On consolidation, for an entity acquired and held as an investment, treated as acquisition. On amalgamation of an entity, either uniting of interests or acquisition. On a business acquisition (i.e., assets and liabilities only) treated as acquisition. On consolidation, the assets and liabilities are incorporated at their existing carrying amounts. On amalgamation, they may be incorporated at their existing carrying amounts or, alternatively, the consideration is allocated to individual identifiable assets and liabilities on the basis of their fair values. On a business acquisition, they may be incorporated at their fair values or value of surrendered assets. Any excess of acquirer‘s interest in the net fair values of acquirer‘s identifiable assets is recognised as capital reserve, which is neither amortised nor available for distribution to shareholders.
POOLING (UNITING) OF INTERESTS METHOD	
Prohibits the use of this method of accounting if the transaction meets the definition of a business combination and the combination is within the scope of the relevant standard.	Permits use of this method only on amalgamation when all the specified conditions are met.
I. OTHER ACCOUNTING AND REPORTING TOPICS	
I.1. FOREIGN CURRENCY TRANSACTIONS/TRANSLATION	
Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Foreign	Similar to IFRS, except at the option of the enterprise, exchange difference arising on repayment/restatement of

IFRS	INDIAN GAAP
currency assets and liabilities are restated at the year-end exchange rates.	liabilities incurred on or after 7th December2006 but before 31st March 2020 for the purposes of acquiring fixed assets Could be adjusted in the carrying amount of the respective fixed assets and The amounts so adjusted are depreciated over the remaining useful life of the respective fixed assets. Further, the said notification also allows deferment other long term receivables / payables (vide notification dated 29.12.2011 issued by Ministry of Corporate Affairs).
I.2. FUNCTIONAL CURRENCY	
Currency of primary economic environment in which entity operates. If indicators are mixed and functional currency is not obvious, use judgment to determine the functional currency that most faithfully represents the economic results of the entity's operations by focusing on the currency of the economy that determines the pricing of transactions (not the currency in which transactions are denominated).	Does not define functional currency. Assumes an entity normally uses the currency of the country in which it is domiciled in presenting its financial statements. Does not require determination of functional currency. Assumes an entity normally uses the currency of the country in which it is domiciled in presenting its financial statements. If a different currency is used, requires disclosure of the reason for using a different currency.
I.3. EARNINGS PER SHARE	
I.3.1. DILUTED EARNINGS-PER-SHARE CALCULATION	
The guidance states that dilutive potential common shares shall be determined independently for each period presented, not a weighted average of the dilutive potential common shares included in each interim computation. The contracts that can be settled in either common shares or cash at the election of the entity or the holder are always presumed to be settled in common shares and included in diluted EPS; that presumption may not be rebutted. The potential common shares arising from contingently convertible debt securities would be included in the dilutive EPS computation only if the contingency price was met as of the reporting price was met as of the reporting date. Balance sheet date is regarded as end of contingency period for contingently issuable shares. Contractual arrangement needs to be assessed to determined appropriate treatment of share application money.	In absence of a separate guidance, dilutive potential common shares are determined independently for each period presented, including year-to- date computation. However, a simple average of last six months weekly closing prices from the balance sheet date is used in computing the fair value (i.e., average price of equity shares during the period). The number of equity shares which would be issued on the conversion of dilutive potential equity shares is determined from the terms of the potential equity shares. The computation assumes the most advantageous conversion rate or exercise price from the standpoint of the holder of the potential equity shares. Similar to IFRS, however limited guidance under Indian GAAP. Share application money pending allotment or any advance share application money as at the balance sheet date, which is not statutorily required to be kept separately and is being utilised in the business of the enterprise, is treated in the same manner as dilutive potential equity shares.
I.3.2. DISCLOSURES	
The basic and diluted amounts per share are disclosed on the face of the income statement at the following levels: a) EPS from net income b) EPS from continuing operation c) EPS from discontinued operations d) EPS due to change in accounting policies (only disclosed in notes, to the extent practicable) Both basic and diluted EPS is disclosed for each class of ordinary shares that has a different right to share in profit for the period. In limited circumstances, EPS may be disclosed for preferred stock or other participating securities.	Similar to IFRS, additionally EPS on extraordinary item is required to be disclosed on the face of the income statement or in the notes. EPS from discontinued operations and changes in accounting policies is not required to be disclosed. Both basic and diluted EPS is disclosed for each class of ordinary shares that has a different right to share in profit for the period.
I.4. RELATED-PARTY DISCLOSURES	
There is no specific requirement in IFRS to disclose the name of the related party (other than the ultimate parent	The scope of parties covered under the definition of related party could be less than under IFRS.

IFRS	INDIAN GAAP
entity). There is a requirement to disclose the amounts involved in a transaction, as well as the balances for each major category of related parties. However, these disclosures could be required in order to present meaningfully the "elements" of the transaction, which is a disclosure requirement. Wide scope of Parties covered under 'related parties disclosure' as compare to Indian GAAP.	Unlike IFRS, the name of the related party is required to be disclosed.
I.5. SEGMENT REPORTING (OPERATING SEGMENT)	
Report based on operating segments and the way the chief operating decision-maker evaluates financial information for purposes of allocating resources and assessing performance. Use internal financial reporting policies (even if accounting policies differ from group accounting	Report primary and secondary (business and geographic) segments based on risks and returns and internal reporting structure. Use group accounting policies or entity accounting policy..
I.6. POST-BALANCE-SHEET EVENTS	
I.6.1. NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE	
Non-adjusting events that occur after the balance sheet date are defined as events that are indicative of conditions that arose after the balance sheet date. Where material, the nature and estimated financial effects of such events are disclosed to prevent the financial statements from being misleading.	Non-adjusting events are not required to be disclosed in financial statements but are disclosed in report of approving authority e.g. Director‘s Report.
I.6.2. DECLARATION OF A DIVIDEND RELATING TO THE FINANCIAL YEAR JUST ENDED	
This is a non-adjusting event. Dividend declared after the balance sheet date but before the financial statements are authorised for issue is not recognised as liability at the balance sheet date.	Dividend proposed relating to the financial year just ended is adjusted in the financial statements even though it is subject to shareholders’ approval at the balance sheet date.
I.7. INTERIM FINANCIAL REPORTING	
I.7.1. STOCK EXCHANGE REQUIREMENTS	
IFRS does not require public entities to produce interim statements but encourages interim reporting.	Similar to IFRS, the standard does not mandate interim financial reporting. However, if an entity is required or elects to present interim financial report, it needs to comply with AS 25. Pursuant to the listing agreement, all listed companies in India are required to furnish interim financial results (either consolidated or standalone) on a quarterly basis in a format prescribed in the listing agreement.
I.7.2. DISCLOSURE OF COMPLIANCE	
IAS 34 provides that an entity should disclose the fact that its Interim Financial Report complies with IAS 34, if it does so. The standard further states that the interim financial report should comply with all the requirements of IFRS so as to be described as complying with IFRS.	Requires compliance with all the requirements of Indian GAAP as mentioned in AS 25.

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

The following discussion and analysis of our financial condition and results of operations is based on, and should be read in conjunction with, our financial information, the notes and significant accounting policies thereto and the reports thereon in "Financial Information" on page 243. The financial information, which comprises our restated consolidated and unconsolidated financial information as of and for the fiscal years ended March 31, 2009, 2010 and 2011 and the nine months ended December 31, 2011, respectively, has been prepared in accordance with the Companies Act and the SEBI Regulations.

We prepare our audited standalone and consolidated financial statements in accordance with Indian GAAP, which differs in some respects from IFRS and U.S. GAAP. Accordingly, the degree to which the restated financial statements included in this Red Herring Prospectus will provide meaningful information is dependent on the reader's level of familiarity with the Companies Act, Indian GAAP and the SEBI Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those under U.S. GAAP or IFRS and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

This discussion also contains forward-looking statements and reflects our management's current views with respect to future events and our financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth under "Risk Factors" on page 13 and elsewhere in this Red Herring Prospectus. Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year are to the 12-month period ended March 31 of that year.

Unless otherwise stated, references in this section to the "Company" are to SMFL and references to "we", "our" or "us" are to the Company, its Subsidiaries, Joint Ventures and Other Consolidated Entities. "Other Consolidated Entities" includes SMFL's Associate Company and the subsidiaries, joint ventures and associates of MSSL which are consolidated in the financial statements of SMFL.

Overview

The Company undertakes the provision of design and manufacturing solutions, mainly to the automotive industry, through subsidiaries and joint ventures with partners in the relevant fields. By virtue of being a holding company (in the case of subsidiaries) or a joint venture partner, the share capital of such subsidiaries and joint ventures is held by the Company. We are an integrated design and manufacturing group providing full system solutions to diverse industries. Our principal focus is the automotive industry, globally and in India, and we are expanding the expertise and skills acquired in our automotive business into other sectors where we anticipate significant future growth. Through a combination of organic growth and acquisitions, we are now a multinational business with manufacturing and design capabilities as well as customers spread across multiple geographies. Within the automotive industry, we are one of the largest manufacturers of exterior rear view vision systems in the world. *(Source: Frost & Sullivan Report)*

We supply our components to automotive OEMs and other customers across the world. Our automotive OEM customers use our components primarily in passenger vehicles and commercial vehicles, which are sold in India and internationally. Our manufacturing locations are generally located close to major automotive manufacturers in order to facilitate supplies to our customers, and we have 120 manufacturing facilities, including 48 manufacturing facilities outside India, with a presence in 25 countries across the world.

SMFL operates its businesses through a number of Subsidiaries, Joint Ventures and Other Consolidated Entities. Our principal businesses in the automotive sector are held through MSSL, SMR and the Peguform Group. The Company holds 36.1% of the equity share capital of MSSL, a company listed on the Indian stock exchanges, which is engaged in, among other things, the manufacture of wiring harnesses, polymer processing and tool manufacturing and elastomer production. SMFL, along with MSSL, holds an equity interest in SMR, which is engaged in the manufacture of exterior and interior rear view vision systems. Additionally, SMFL and MSSL hold an equity

interest in the Peguform Group and the Wethje Companies, which are engaged in the interior and exterior components and the carbon composites business, respectively. SMFL's other automotive businesses include metal working and modules such as automotive lighting products and heating, ventilation and air-conditioning systems, all of which are undertaken through various Subsidiaries, Joint Ventures and Other Consolidated Entities.

We are present across various levels of the automotive component value chain, providing products and services that range from product design and prototyping to tool manufacturing, assembly and the production of integrated modules. We believe that we have been able to harness our synergies through horizontal and vertical integration across our different product and service segments, which we believe gives us integrated full-system solutions capabilities. We aim to benefit from economies of scale by leveraging our relationships with our global automotive customers to supply our products across their various product lines as they expand geographically and penetrate new markets. For example, we plan to continue to diversify our global presence by expanding our operations in high-growth economies like India, Brazil, Mexico and Thailand where automobile OEMs are expanding their production and automobile ownerships ratio are expected to grow rapidly. In addition, as our OEM customers shift their automotive manufacturing focus to increasingly higher end vehicles, both as a result of general customer demand shifts in the regions in which they operate and as a result of strategic initiatives specific to individual OEMs, we intend to capitalize on these shifts by maintaining and, where possible, increasing our relative market shares by supplying more complex, higher value products and services to these OEMs on a price and cost effective basis. We intend to continue to leverage our relatively lower cost structure with our global presence in order to increase revenues while improving margins.

In addition, we continue to leverage our experience and the capabilities gained from our extensive operations in the automotive components sector to pursue potentially high growth opportunities in various non-automotive sectors. These include the manufacture of drop-down cabins for off-highway vehicles, refrigeration systems to cater to food logistics needs across the cold storage value chain, manufacturing support activities including the production of auxiliary components such as air compressors and paint guns and the provision of IT, engineering and design services to certain non-automotive sectors. SMFL's principal non-automotive businesses include Fritzmeier Motherson Cabin Engineering Limited, which is engaged in the manufacture of drop-down cabins for off-highway vehicles, Motherson Zanotti Refrigeration System Limited, which undertakes the manufacture of retail refrigeration systems and the provision of IT and engineering and design services to non-automotive customers through Motherson Sumi Infotech and Designs Limited.

Factors affecting our results of operations and financial condition

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.

Acquisitions

We have engaged in inorganic growth and strategic acquisitions where we believe doing so is consistent with our strategic goals. For example, in March 2009, we acquired the rear view vision systems business of Visiocorp Plc through SMR, shortly after it had been placed under court administration, and we embarked on a restructuring exercise intended to restore an effective management structure and manage cost efficiency of the business. We closed and consolidated certain plants and operations and achieved a reduction of the headcount. In particular, with employee and support functions, we rationalised operational costs and created what we believe is an optimal operational and management structure. Our rear view vision systems business achieved profits in Fiscal 2010, its first full fiscal year of operation. This transaction has had a significant effect on our results of operations in Fiscal 2010 and Fiscal 2011. Further, during Fiscal 2009, we had acquired the broaches and gear cutting tools business undertaking of Dagger Forst Tools Limited. We have recently completed the acquisition of a majority shareholding in the Peguform Group, an international supplier of interior and exterior products for the automotive and related industries. This acquisition was completed on November 23, 2011 and the results of operations of the Peguform Group have been consolidated in our financial statements for the nine month interim period ended December 31, 2011 for a period of 39 days. We have also recently entered into a Share Purchase Agreement dated March 15, 2012 in relation to the acquisition of a majority shareholding in Sintermetal S.A. ("**Sintermetal**"), which is engaged in the business of manufacture of automotive powder metal parts. These and other transactions are discussed in Note 3

and Note 19 to our Restated Consolidated Financial Statements at page 318 and 367, respectively. On account of these factors, our results of operations may not be fully comparable for prior or future periods. See "Risk Factors – Our restated consolidated financial information may not be comparable between financial years and may not provide a basis for assessing our future prospects" on page 28.

Market conditions affecting the automotive industry

Our revenues are primarily derived from our sales of automotive components to our OEM customers, and specifically our rear view vision systems business and wiring harnesses business. Given our focus on the automotive industry, our operations are affected by general trends in that industry. We are particularly affected by factors affecting the passenger car and truck sectors in the Asia-Pacific, European and American regions. For example, according to Frost & Sullivan, the global economic downturn impacted the automotive industry significantly from 2007 to 2009. However, the automotive industry rebounded strongly in 2010 and light vehicle production for 2010 was approximately 74.3 million units, which is an increase of 24.8% over the 2009 recessionary production level. The cyclical nature of this industry, both globally and in each of these regions, means that our revenues across periods could fluctuate significantly. For a more detailed discussion of the global and Indian automotive component industries, see "Industry Overview" at page 129.

Purchasing patterns of our significant customers and contract terms

We depend on our five largest OEM customers for a significant portion of our revenues. Sales to these customers accounted for 59.3% of our consolidated income for the nine month interim period ended December 31, 2011 and 53.4% of our consolidated income for Fiscal 2011, and we expect this dependence to continue in the future. The demand for our products from these customers has a significant impact on our results of operations and our sales are particularly affected by the inventory and production levels of our OEM customers. We cannot predict when our customers will decide to either build or reduce inventory levels or whether new inventory levels will approximate historical levels. This may result in variability in our sales. We have historically experienced sales declines due to our customers' shutdowns or slowdowns, such as in 2009, as a result of the weakening global macroeconomic environment.

The effect of changes in purchasing patterns may be further heightened by the fact that, consistent with the practices of the automotive component industry, we typically enter into master agreements with our OEM customers for the supply of our products. Although most of our existing clients provide us with forecasts of business volumes which enables us to predict our income for a portion of our business, the long lead times for new automobile models and related programs for the development and manufacture of our products make it difficult to predict the timing of income that we will earn in respect of new programs.

In addition, actual production volumes may vary significantly from these estimates due to variations in consumer demand for the related vehicles. Our program contracts typically do not provide for price adjustments or other compensation when volumes differ from production estimates used during the quotation. In the event volumes significantly differ from the original quotation, we are generally limited to requesting price adjustments for the respective projects, or attempting to leverage these shortfalls to win new contracts. Similarly, our supplier contracts are typically of a specified duration and, subject to renegotiation upon renewal, typically do not provide for price adjustments. In addition to potential timing mismatches between our supplier contracts and our customer contracts, differing 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.

Furthermore, our business plans include expanding our operations in line with our customers' growth in emerging markets, and we are also considering new plants or the expansion of existing facilities in key markets such as India, Brazil, Mexico, Spain and Thailand. We expect to continue to incur substantial expenditure in connection with this planned expansion, the strategy for which requires us to successfully attract new production orders from our existing and new customers in these markets. While we consult with our customers prior to setting up operations in new markets or expanding in current markets, they may not give us any commitments to purchase our products in these markets. Accordingly, the success of our expansion in any market is subject to business, economic and competitive uncertainties and contingencies, many of which are beyond our control.

Macroeconomic conditions

Macroeconomic factors, both in India and globally, such as economic instability, political uncertainty, social upheavals or other force majeure events could influence our performance. In addition, fluctuations in interest rates, exchange rates and inflation rates have a material effect on key aspects of our operations, including the cost of our raw materials and the costs of borrowing required to fund our operations.

Our Indian businesses have benefited from a period of sustained economic growth in India. However, the Indian economy has recently shown signs of moderation in growth, although real GDP at factor cost has grown from 8.0% in 2009-2010 to 8.5% in 2010-2011. *(Source: Central Statistics Office; Reserve Bank of India – Macroeconomic and Monetary Developments First Quarter Review 2011-12)* We expect that macroeconomic conditions, particularly changes in consumer confidence, spending on passenger and commercial vehicles and interest rates will have a significant impact on our business and results of operations in future periods. For a more detailed discussion of the Indian economy, see "Industry Overview" at page 129.

Input costs

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 expenditure on material consumed represented 62.7%, 61.2%, 60.1% and 53.9% of our consolidated income, respectively, for the nine month interim period ended December 31, 2011 and Fiscals 2011, 2010 and 2009. During the periods under review, our largest purchases of raw materials included copper, aluminium and resins. Commodity prices 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 speculation in the market. We have hedging arrangements in place for certain key commodities, such as copper and aluminium.

Furthermore, although we generally agree on the prices of our automotive components with our customers in advance, we seek to negotiate adjustments 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. Nonetheless, because such price adjustments based on cost changes only occur at periodic intervals, there is generally a time lag between changes in our costs and any adjustments to our prices which, if our costs are increasing, can have a negative impact on our profitability.

Staff costs

Staff costs on aggregate comprise our second largest cost after raw materials and pre-constructed components. As a result, our income is directly impacted by changes to staff costs. Our total staff costs generally comprise staff costs in respect of manufacturing operations, sales and distribution staff costs, research and development staff costs and general and administrative staff costs. For the nine month interim period ended December 31, 2011 and Fiscals 2011, 2010 and 2009, our employee cost was ₹ 10,279.7 million, ₹ 9,698.6 million, ₹ 9,552.7 million and ₹ 1,297.7 million, respectively, and as a percentage of consolidated income, were 17.1%, 17.0%, 18.9% and 13.9%, respectively.

As a material portion of our overall manpower is located in developing countries, such as India and China, rising wages in these countries may have a material impact on our net income. In addition, we are required to contribute to various pension schemes in certain countries in which we operate, such as the United Kingdom, Germany and South Korea, and therefore our income may be impacted by changes to, or losses incurred in connection with, these programs.

Growth of new businesses

On the basis of our experience in the automotive industry, we have undertaken initiatives in several non-automotive businesses, including modules for off-highway vehicles, vehicle heating, ventilation and air-conditioning systems, cold storage and refrigerated transport systems, cutting tools serving automotive and other industrial applications, air-compressors, high-end paint coating systems and other ancillary products. The success of these businesses

depends on our management's ability to identify high-growth potential opportunities and utilise our resources to develop these opportunities, which could have a significant impact on our results of operations.

Performance of the Peguform Group

In November 2011, SMPL indirectly acquired an equity shareholding of 74.8% in SMP Deutschland GmbH (formerly Peguform GmbH) and 80.0% in Peguform Iberica S.L. For further details, please refer to the section titled "Our Business" at page 146. In addition, our Company, through Samvardhana Motherson Global Holding Limited (Cyprus) ("**SMGHL**"), a joint venture company, acquired an equity shareholding of 5.2% in SMP Deutschland GmbH. SMH Mauritius, our wholly owned subsidiary, holds 49% of the equity share capital of SMGHL. The remaining equity shareholding in SMP Deutschland GmbH (formerly Peguform GmbH) and Peguform Iberica S.L. is held by Cross Industries AG. As part of this equity shareholding acquisition, SMPL also indirectly acquired 50% of the equity shareholding of each of the Wethje Companies. The equity shareholding in SMP Deutschland GmbH (formerly Peguform GmbH) and Peguform Iberica S.L. and the Wethje Companies was acquired from PF Beteiligungsverwaltungs GmbH, UIAG Automotive Beteiligungs GmbH and Cross Motorsport Systems AG (collectively, the "Sellers"). For further details of our shareholding in SMP Deutschland GmbH (formerly Peguform GmbH) and Peguform Iberica S.L. and the Wethje Companies, through SMPL and SMGHL, and the funding structure, please refer to the section titled "Objects of the Issue" at page 99. These businesses were carved out of a larger group whose consolidated financial statements were prepared in accordance with IFRS as applicable in the European Union and were audited by independent auditors, and those consolidated financial statements have been used by the management of the Company to present the information provided on page 443, 444 and 445 in this Red Herring Prospectus.

The Peguform Group is an international supplier of interior and exterior plastic products for the automotive industry. Following the completion of the acquisition on November 23, 2011, the results of operations of the Peguform Group are consolidated for a period of 39 days in our financial statements for the nine month interim period ended December 31, 2011 and the assets and liabilities of the Peguform Group are consolidated in our balance sheet as of December 31, 2011, on the basis stated in the section titled "*Results of Operations*" below. Prior to November 23, 2011, we were not involved in the management and operations of the Peguform Group.

In 2009, the Peguform Group's operations were adversely affected by the global economic downturn which affected the automotive industry in general. Automotive demand recovered in 2010 and 2011, resulting in an increase in the Peguform Group's revenues, which benefitted from increased demand from its OEM customers such as the Volkswagen group, particularly in Germany and other European markets. In line with the increase in sales during 2010 and 2011, there was an increase in the cost of materials of the Peguform Group, largely due to the total material cost ratio being higher than previously as a result of a change in the product mix, as well as a higher proportion of plastics, decorative items and electric components being used during this period.

The Peguform Group's higher earnings before tax in 2010 reflected the increased sales during the year, as compared to 2009. During 2011, however, the Peguform Group incurred significant start up costs in relation to a new manufacturing facility in Brazil, and also ramped up operations in Spain for new customer projects. Additionally, the Peguform Group experienced a delay in turn-around activities relating to manufacturing facilities in Germany and Spain during this period, as well as one-time costs related to the acquisition and refinancing of the Peguform Group by the Company and MSSL. As a result, the Peguform Group's profitability in 2011 has been adversely affected.

The Peguform Group saw an increase in its inventories in 2010 and 2011. In 2010, this was largely a result of increased sales, combined with the ramp up of operations in Spain for new customer programs. In 2011, the ramping up activities in Spain and the starting up of a new manufacturing facility in Brazil have led to a further increase in inventories.

As a result of increased sales in 2010 and 2011, the Peguform Group's trade receivables increased. In 2010, this arose largely from receivables due from customers in Europe, while in 2011, the Peguform Group's receivables were affected by increased sales in China.

We expect that the operational and financial performance of the Peguform Group will have a material effect on our results of operations and financial condition in future periods. Certain effects of the acquisition of a majority equity shareholding in the Peguform Group on our restated financial statements as of and for the nine month interim period ended December 31, 2011 are discussed below. Certain re-classified financial data for the Peguform Group is presented in the section titled "Financial Information of the Relevant Entities in Relation to Acquisition of the Peguform Companies" at page 440 and the pro forma effects of the Peguform Group acquisition on our restated financial statements are set forth in the section titled "Financial Information" at page 243.

Basis of preparation of the consolidated financial statements

The consolidated financial statements have been prepared in accordance with Accounting Standard 21 (AS 21) on "Consolidated Financial Statements, Accounting Standard 23 (AS 23) on "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard 27 (AS 27) on "Financial Reporting of Interests in Joint Ventures" and on the basis of the separate audited financial statements of the Company and separate or consolidated audited financial statements of its Subsidiaries, Joint Ventures and associates (together, the "**Group**"). The consolidated financial statements of the Group have been prepared on the following basis:

(i) The financial statements of Subsidiaries have been combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses, after eliminating intra-Group balances and intra-Group transactions;

(ii) In case of Joint Ventures, the Group's share in the assets, liabilities, income and expenses has been accounted for using the proportionate consolidated method.

(iii) In case of associates, where the Group directly or indirectly holds 20% or more of equity, the investment in the associate is accounted for using the equity method.

(iv) The difference between the cost of investment in Subsidiaries, Joint Ventures and associates, over the net assets at the time of acquisition of the investment in the respective Subsidiaries, Joint Ventures and associates is recognised in the financial statements as goodwill or capital reserve on consolidation, as the case may be.

(v) The excess of the cost of acquisition over the Company's portion of equity and reserves of a Subsidiary at each time an investment is made in a Subsidiary is recognised in the financial statements as goodwill. Negative goodwill is recognised as capital reserve.

(vi) Minority interest in the Subsidiaries consists of the amount of equity attributable to minorities at the date investment in the Subsidiaries is made and minorities' share of movements in equity since the date the parent-subsidiary relationship comes into existence.

(vii) Cost of acquisition in respect of investment acquired pursuant to a scheme of amalgamation includes fair value as on the date of amalgamation, as per the order of the relevant court.

(viii) Our consolidated financial statements have been prepared using financial statements of the Subsidiaries, Joint Ventures and associates drawn up to the same reporting dates to the extent practicable, and where the financial statements used are drawn up to different reporting dates, adjustment have been made, where considered relevant, for any significant transactions for events occurring between those dates and the date of our consolidated financial statements.

(ix) Our consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's standalone financial statements. However, in respect of certain Subsidiaries and Joint Ventures, inventories are valued on a weighted average cost basis as against the Group policy of valuing inventories on a First In-First Out ("FIFO") cost basis, as it is not considered practical to do so by the Company's management. The total value of inventories valued on a weighted average basis is ₹ 10,752.4 million as of December 31, 2011. These inventories form 63.75% of the Group's total inventories. As of March 31, 2011, total value of inventories valued on a weighted average basis was ₹ 1,067.4 million The incremental increase in inventories valued on a weighted average basis is as a result of the acquisition of an equity shareholding in the Peguform Group, which is consolidated in our financial statements as of December 31, 2011.

(x) For the purpose of consolidation, the Company has translated the assets and liabilities of Subsidiaries outside India, whose operations are classified as non-integral, at the year-end exchange rate and income and expenditure at an average exchange rate that approximates the exchange rate prevailing on the date of the transaction. The resultant translation adjustment is reflected as a separate component of our reserves and

surplus as "Exchange Reserve on Consolidation". These are transferred to the profit and loss account on disposal of the non-integral foreign operations.

For further details regarding the Subsidiaries, Joint Ventures and Other Consolidated Entities that have been considered in the consolidated financial statements, see Note 3 to our Restated Consolidated Financial Statements at page 318.

Results of Operations

The following table sets out selected income statement data from our restated consolidated financial statements for the nine month interim period ended December 31, 2011 and Fiscals 2011, 2010 and 2009, together with the percentage each line item represents of the total revenue for the periods presented.

(₹million)

Particulars	Nine month interim period ended December 31, 2011	(%)	Fiscal 2011	(%)	Fiscal 2010	(%)	Fiscal 2009	(%)
Total Income	**60,245.2**	**100**	**57,165.0**	**100**	**50,612.9**	**100**	**9,360.1**	**100**
Total Expenditure	**57,606.3**	**95.6**	**52,130.1**	**91.2**	**46,834.8**	**92.5**	**7,980.0**	**85.3**
-- Material consumed	37,758.2	62.7	35,002.7	61.2	30,436.5	60.1	5,049.3	53.9
-- Employee cost	10,279.7	17.1	9,698.6	17.0	9,552.7	18.9	1,297.7	13.9
-- Other expenditure	9,568.4	15.9	7,428.8	13.0	6,845.6	13.5	1,633.0	17.4
Depreciation & amortization	1,683.7	2.8	1,704.2	3.0	1,903.4	3.8	368.9	3.9
Interest and finance charges (net)	1,290.6	2.1	621.7	1.1	623.4	1.2	210.7	2.3
Profit before taxation and extraordinary items	(335.4)	-	2,709.0	4.7	1,251.3	2.5	800.5	8.6
Total provision for taxation	952.1	1.6	1,032.5	1.8	507.3	1.0	120.6	1.3
Share of profit of associates (net)	9.3	0.0	9.9	0.0	13.0	0.0	7.0	0.1
Net profit before restatement adjustments	(1,278.2)	-	1,686.4	3.0	757.0	1.5	686.9	7.3
- Concern share	(911.2)	-	1400.0	2.4	699.6	1.4	566.1	6.0
-- Minority	(367.0)	-	286.4	0.5	57.4	0.1	120.8	1.3
Net Profit / (Loss) as restated	**(1,527.9)**	**-**	**1,922.1**	**3.4**	**761.4**	**1.5**	**577.8**	**6.2**

The following tables set forth certain financial information by segment. For further details, see Note 15 to our Restated Consolidated Financial Statements at page 344.

(₹ million)

Particulars	Nine month interim period ended December 31, 2011	Fiscal 2011	Fiscal 2010	Fiscal 2009
Primary segment information - Revenue				
-- Automotive	57,328.9	53,727.7	48,552.2	7,676.6
-- Non-automotive	2,237.8	3,018.5	1,941.1	872.3
-- Unallocated	533.2	451.1	119.8	811.2
Total	**60,099.9**	**57,197.3**	**50,613.1**	**9,360.1**
Secondary segment information - Revenue				
-- India	13,545.5	16,945.8	29,389.3	4,713.1
-- Outside India	46,143.9	39,919.3	20,404.3	4,571.0
-- Unallocated	410.5	332.2	819.5	76.0
Total	**60,099.9**	**57,197.3**	**50,613.1**	**9,360.1**

Results of operations

Our results of operations are determined largely by the performance of our rear view vision systems business, which is held through SMR, and our wiring harnesses, polymer and tool manufacturing business, which is held through MSSL. In addition, pursuant to our acquisition of a majority of the equity shareholding in the Peguform Group, our results of operations will be significantly determined by the performance of our polymer processing business.
Our interests in SMR, MSSL and the Peguform Group are accounted for as follows:

- On the basis of our equity shareholding, we proportionately consolidate SMR's financial statements on a line by line basis to the extent of 49.0%.
- On the basis of our equity shareholding, we proportionately consolidate SMPL's financial statements on a line by line basis to the extent of 49.0%. The Peguform Group was consolidated in SMPL's financial statements for 39 days in the nine month interim period ended December 31, 2011, starting from November 23, 2011, the date of acquisition.
- The Company's joint venture interest in MSSL is proportionately consolidated based on its equity ownership in MSSL, which was as follows as of the dates indicated:
  - As of March 31, 2008 – 21.4%
  - As of March 31, 2009 – 34.4%
  - As of March 31, 2010 – 37.6%
  - As of March 31, 2011 – 36.3%
  - As of December 31, 2011 – 36.1%
- MSSL in turn consolidates 100% of SMR's and SMPL's results of operations and assets and liabilities as a subsidiary on a line by line basis. The interests of the other shareholders (including SMFL) in the direct and indirect subsidiaries of MSSL and the operating entities within the Peguform Group are accounted for as minority interests in the consolidated financial statements of MSSL.

We have a number of other businesses, as discussed in the section titled "Our Business" at page 146. For the periods under discussion, none of these businesses contributed materially to our results of operations. However, we see several of these businesses as potential growth drivers in the future. See "Our Business - Strategy" at page 150.

Nine month interim period ended December 31, 2011

Income

Our consolidated income was ₹ 60,245.2 million in the nine month interim period ended December 31, 2011. The automotive segment accounted for ₹ 57,328.9 million (or 95.2%) of our consolidated income in the nine month interim period ended December 31, 2011, as compared to 94.0% in Fiscal 2011.

The main components of our income for the nine months ended December 31, 2011 were as follows:

- Revenues from MSSL and revenues from SMR (which is fully consolidated into MSSL). SMR's contribution to our consolidated income in the nine month interim period ended December 31, 2011 reflected its performance in the European and North American markets, which more than offset a slight slowdown in its performance in India. MSSL's non-SMR related revenues during this period were adversely affected by labour unrest at the manufacturing facilities of a large domestic customer.
- Revenues from the Peguform Group for 39 days from November 23, 2011, the date of acquisition.

Our non-automotive income accounted for ₹ 2,237.8 million (or 3.7%) of our consolidated income in the nine month interim period ended December 31, 2011, as compared to 5.3% in Fiscal 2011. The decline in the contribution of our non-automotive income for the nine month interim period ended December 31, 2011 was partly due to a decline in revenues from certain sectors of our non-automotive business, including the refrigeration systems business and our information technology services business.

Expenditure

Our consolidated total expenditure for the nine month interim period ended December 31, 2011 was ₹ 57,606.3 million. As a percentage of income, our consolidated total expenditure increased to 95.6% in the nine month interim period ended December 31, 2011, from 91.2% in Fiscal 2011.

The main components of our expenditure for the nine month interim period ended December 31, 2011 were as follows:

- Costs of materials incurred by MSSL and SMR (which is fully consolidated into MSSL). SMR's contribution to our consolidated total expenditure in the nine month interim period ended December 31, 2011 reflected an increase in the cost of its main inputs, including glass actuators, powerfolds, glass, EC glass, electrical parts and resins, during this period. MSSL's contribution towards our consolidated total expenditure (exclusive of its interest in SMR and the Peguform Group) during this period reflected an increase in costs incurred towards copper, the major raw material of its wiring harnesses business, and the price of resins, the main raw material of MSSL's polymer processing business.
- Start up costs incurred in relation to SMR's manufacturing facilities in Brazil and Hungary;
- Transaction costs in relation to the acquisition of an equity shareholding in the Peguform Group, amounting to ₹ 671.7 million.
- Expenditure incurred towards foreign exchange difference in the restatement of loans denominated in a foreign currency.
- Expenditure incurred by the Peguform Group for the 39 days from November 23, 2011. The Peguform Group's contribution to our total consolidated expenditure for the nine month interim period ended December 31, 2011 reflected the cost of its major raw materials, including polypropylenes, polycarbonates and various grades of nylons and resins.

Depreciation

Our consolidated depreciation and amortisation was ₹ 1,683.7 million in the nine month interim period ended December 31, 2011.

Interest

Our net interest expense was ₹ 1,290.6 million in the nine month interim period ended December 31, 2011. This was largely due to the acquisition financing and working capital borrowings relating to the acquisition of an equity shareholding in the Peguform Group which are consolidated in our financial statements as of December 31, 2011.

Profit before taxation and adjustments

We recorded a loss of ₹ 335.4 million in the nine month interim period ended December 31, 2011. Our performance was adversely affected by:

- Transaction costs in relation to the acquisition of an equity shareholding in the Peguform Group, amounting to ₹ 671.7 million.
- A loss of ₹ 708.7 million arising from exchange differences on restatement of loans denominated in a foreign currency.
- Start up costs incurred in relation to SMR's manufacturing facilities in Brazil and Hungary.
- The increase in costs of raw materials and commodities across our businesses.
- Labour unrest at the manufacturing facilities of a large domestic customer of MSSL during the calendar year 2011 leading to a decline in non-SMR related sales of MSSL for this period.
- Operating losses incurred by the Peguform Group for the 39 days from November 23, 2011.

Provision for taxation

Our total provision for taxation was ₹ 952.1 million in the nine month interim period ended December 31, 2011.

Profit after taxation

As a result of the foregoing, we recorded a loss after tax of ₹ 1,278.2 million in the nine month interim period ended December 31, 2011.

Concern share

We recorded a loss after tax of ₹ 911.2 million in relation to our concern share in the nine month interim period ended December 31, 2011. This was largely as a result of the consolidation of the losses made by the Peguform Group in our financial statements for the nine month interim period ended December 31, 2011 and the loss incurred arising from an exchange difference in the restatement of loans denominated in a foreign currency.

Minority interests

We recorded a loss after tax of ₹ 367.0 million in relation to our minority interests in the nine month interim period ended December 31, 2011. This was largely as a result of the consolidation of the losses made by the Peguform Group in our financial statements for the nine month interim period ended December 31, 2011.

Net profit as restated

As a result of the foregoing, we incurred a consolidated net loss, as restated, of ₹ 1,527.9 million in the nine month interim period ended December 31, 2011.

We expect the factors that adversely affected our results of operations for the nine month interim period ended December 31, 2011 to have an adverse effect on our results of operations for the full Fiscal 2012.

Fiscal 2011 compared with Fiscal 2010

Income

Our consolidated income increased by 12.9% to ₹ 57,165.0 million in Fiscal 2011 from ₹ 50,612.9 million in Fiscal 2010.

The automotive segment accounted for ₹ 53,727.7 million (or 94.0%) of our consolidated income in Fiscal 2011, compared to ₹ 48,552.2 million (or 95.9%) in Fiscal 2010.

The main components of the increase in our income were as follows:

- MSSL's consolidated automotive revenues increased largely due to an increase in the sales of rear view mirror systems by SMR (whose revenues are consolidated into MSSL's revenues) across the regions in which it operates, resulting from the overall improved economic environment globally. In particular, SMR's business in India, China and Korea showed strong revenue growth resulting from robust local demand. Further, there was significant growth in MSSL's wiring harness and polymer businesses, driven by increased automotive demand and production, particularly in India.
- Other automotive businesses, such as the automotive lighting systems business of MMM, the HVAC business of Spheros Motherson Limited, certain automotive-related IT services provided by MIND and the cutting tools business of MATS, also experienced growth due to the overall growth in automotive demand and production in India.

Our non-automotive income accounted for ₹ 3,018.5 million (or 5.3%) of our consolidated income in Fiscal 2011, compared to ₹ 1,941.1 million (or 3.8%) in Fiscal 2010. Key non-automotive growth areas in Fiscal 2011 were MOZAR's refrigeration systems business and FMCEL's cabins business.

Expenditure

Our consolidated total expenditure for Fiscal 2011 increased by 11.3% to ₹ 52,130.1 million from ₹ 46,834.8 million in Fiscal 2010. This was largely due to the increase in the cost of materials across our businesses, driven by increased production volumes as well as higher commodity prices, as well as increased salary costs. As a percentage of income, our consolidated total expenditure decreased to 91.2% in Fiscal 2011 from 92.5% in Fiscal 2010.
The main components of the increase in our expenditure were as follows:

- MSSL's cost of materials increased largely due to increased raw material requirements coupled with higher prices for SMR's main inputs, including glass actuators, powerfolds, glass, EC glass, electrical parts and resins, in addition to an increase in the price of copper, the major raw material of the wiring harness business, and the price of resins, the main raw material of MSSL's polymer processing business. Further, MSSL's salary, wages and staff welfare costs increased, reflecting a larger number of employees at MSSL as well as SMR.
- Further, cost of materials of our other businesses increased in line with increased sales and growth of these businesses.

Depreciation

Our consolidated depreciation and amortisation decreased by 10.5% to ₹ 1,704.2 million in Fiscal 2011 from ₹ 1,903.4 million in Fiscal 2010. This was largely due to the closure and consolidation, respectively, of two manufacturing facilities that were part of our rear view vision systems business, as well as exchange translation adjustments.

Interest

Our net interest expense decreased by 0.3% to ₹ 621.7 million in Fiscal 2011 from ₹ 623.4 million in Fiscal 2010. SMR's borrowings and interest costs largely remained unchanged, whereas MSSL's borrowings and the related interest costs increased in Fiscal 2011. MSSL's increased interest costs were largely offset by the redemption of its convertible bonds in Fiscal 2011.

Profit before taxation and extraordinary items

Our consolidated profit before taxation and extraordinary items rose significantly by 116.5% to ₹ 2,709.0 million in Fiscal 2011 from ₹ 1,251.3 million in Fiscal 2010. Our increased profits were largely due to increased sales across our markets, particularly in economies such as India, China and South Korea. Further, in Fiscal 2010, we incurred restructuring expenses relating to our turnaround of the rear view vision systems business that we had acquired from administration. No such restructuring expenses were incurred in Fiscal 2011.

Provision for taxation

Our total provision for taxation rose significantly by 103.5% to ₹ 1,032.5 million in Fiscal 2011 from ₹ 507.3 million in Fiscal 2010. This was largely as a result of increased taxation because of higher profitability.

Net profit before restatement adjustments

As a result of the foregoing, our net profit before restatement adjustments rose to ₹ 1,686.4 million in Fiscal 2011 from ₹ 757.0 million in Fiscal 2010.

Concern share
Our concern share rose significantly by 100.1%, to ₹ 1,400.0 million in Fiscal 2011 from ₹ 699.6 million in Fiscal 2010. This was largely because of a significant increase in SMR's contribution to our consolidated profits.

Minority interests

Minority interest increased significantly by 399.0%, to ₹ 286.4 million in Fiscal 2011 from ₹ 57.4 million in Fiscal 2010. This was largely because of a significant increase in SMR's contribution to our consolidated profits.

Net profit, as restated

As a result of the foregoing, our consolidated net profit, as restated, rose to ₹ 1,922.1 million in Fiscal 2011 from ₹ 761.4 million in Fiscal 2010.

Fiscal 2010 compared with Fiscal 2009

We completed our acquisition of the rear view vision systems business of Visiocorp Plc through SMR on March 6, 2009, and therefore, Fiscal 2010 was the first full financial year in which the results of operations of SMR were reflected in our financial statements. We undertook a restructuring exercise in relation to this business and closed and consolidated certain plants and operations to, among other, achieve a reduction in headcount. This transaction had a significant effect on our results of operations in Fiscal 2010.

Furthermore, for most of Fiscal 2009, we accounted for our interest in MSSL at approximately 21.4%, whereas in Fiscal 2010, we accounted for this interest at between 34.4% and 37.6% because of an increase in SMFL's equity interest in MSSL. On account of these differences, our results of operations for Fiscal 2010 are not comparable to our results of operations for Fiscal 2009.

In spite of the challenging economic environment experienced in Fiscal 2010, MSSL's sales grew in response to local demand in India. The wiring harness and polymer businesses experienced robust growth in the domestic market. Internationally, however, the global economic crisis resulted in negative growth in these businesses. Raw material costs, particularly the cost of copper, continued to rise, but we were largely able to mitigate these increases by passing them on to our customers.

Liquidity and Capital Resources

We need cash primarily for our operating activities, capital expenditures for maintenance and to fund our expansion plans and the repayment of borrowings. This includes our ongoing expansion of existing facilities and the development of new manufacturing facilities in India, Brazil, Mexico, Spain and Thailand, as well as our plans for strategic acquisitions and inorganic growth. For further details, see "Objects of the Issue" at page 99. We intend to fund these capital requirements through a variety of sources, including the proceeds of the Issue, cash from operations and short- and long-term lines of credit and other borrowings.

Our principal sources of funding include cash from operations, cash and bank balances, funds raised from time to time from borrowings and from the sale of equity securities in the Company. As of December 31, 2011, we had cash and bank balances of ₹ 5,961.8 million. Our secured loans aggregated ₹ 35,343.7 million and unsecured loans aggregated ₹ 3,833.1 million, resulting in total secured loans and unsecured loans of ₹ 39,176.8 million as of December 31, 2011. For our Joint Ventures, equity contributions from us and our joint venture partners are a significant source of funding.

Cash Flows

As of December 31, 2011, March 31, 2011 and March 31, 2010, we had cash and bank balances of ₹ 5,961.8 million, ₹ 2,758.6 million and ₹ 2,547.2 million, respectively. The following table sets out the principal elements of our cash flows for the nine month interim period ended December 31, 2011 and Fiscals 2011 and 2010:

(₹ million)

Particulars	For the nine month interim period ended December 31, 2011	For the year ended March 31, 2011	For the year ended March 31, 2010
Net cash from operating activities	**1,910.2**	**2,569.7**	**1,579.2**
Net cash used in investing activities	**(13,794.3)**	**(4,211.3)**	**(5,184.2)**

Particulars	For the nine month interim period ended December 31, 2011	For the year ended March 31, 2011	For the year ended March 31, 2010
Net cash from financing activities	**13,434.0**	**1,864.1**	**3,600.7**
Cash and cash equivalents – Opening	**2,758.6**	**2,547.2**	**2,553.4**
-- Cash and cash equivalents on acquisition	1,601.2	(67.8)	143.7
Total Cash and Cash Equivalents as per statement of cash flows	**5,909.7**	**2,701.9**	**2,692.8**
-- Net unrealized loss on foreign currency cash and equivalents	(52.1)	(56.7)	145.6
Total cash and cash equivalents*	**5,961.8**	**2,758.6**	**2,547.2**
* Includes cash not available for use with the group of…….	287.8	20.1	16.9

Cash flow from operating activities

Our net cash from operating activities in the nine month interim period ended December 31, 2011 was ₹ 1,910.2 million. This consisted primarily of operating profit before working capital changes of ₹ 3,291.8 million, which was adjusted for various cash and non-cash items, in particular depreciation and impairment charges of ₹ 1,683.3 million, interest expense of ₹ 1,334.0 million and provision for employee benefits of ₹ 223.8 million. Working capital movements during Fiscal 2011 included a decrease in sundry debtors of ₹ 900.1 million, a decrease in inventories of ₹ 196.6 million and a decrease in trade and other payables of ₹ 2,880.7 million. These working capital movements were largely consistent with the growth in our business during the nine month interim period ended December 31, 2011, in particular, the acquisition of an equity shareholding in the Peguform Group, which is consolidated in our financial statements for the nine month interim period ended December 31, 2011.

Our net cash from operating activities in Fiscal 2011 was ₹ 2,569.7 million. This consisted primarily of operating profit before working capital changes of ₹ 4,786.5 million, which was adjusted for various cash and non-cash items, in particular depreciation and impairment charges of ₹ 1,702.6 million and interest expense of ₹ 680.1 million. Working capital movements during Fiscal 2011 included an increase in sundry debtors of ₹ 1,444.5 million, an increase in inventories of ₹ 2,151.1 million and an increase in trade and other payables of ₹ 2,605.0 million. These working capital movements were largely consistent with the growth in our business during Fiscal 2011.

Our net cash from operating activities in Fiscal 2010 was ₹ 1,579.2 million. This consisted primarily of operating profit before working capital changes of ₹ 3,693.1 million, which was adjusted for various cash and non-cash items, in particular depreciation and impairment charges of ₹ 1,902.1 million and interest expense of ₹ 680.6 million. Working capital movements during Fiscal 2010 included an increase in sundry debtors of ₹ 1,309.3 million and an increase in inventories of ₹ 522.5 million. These working capital movements were largely consistent with the growth in our business during Fiscal 2010.

Cash flow from investing activities

Our net cash used in investing activities in the nine month interim period ended December 31, 2011 was ₹ 13,794.3 million, and primarily comprised consideration paid for the acquisition of subsidiaries and joint ventures of ₹ 7,760.9 million, largely relating to our acquisition of an equity shareholding in the Peguform Group, and capital expenditure on the purchase of fixed assets (including capital work in progress) of ₹ 5,647.8 million.

Our net cash used in investing activities in Fiscal 2011 was ₹ 4,211.3 million, and primarily comprised capital expenditure on setting up SMR's manufacturing facility in Hungary and the expansion of existing facilities in India, including at Chennai and Bangalore.

Our net cash used in investing activities in Fiscal 2010 was ₹ 5,184.2 million, consisting mainly of capital expenditure in SMR as well as MSSL, and our acquisition of shares in MSSL from certain partnership firms. Our main investing activity in Fiscal 2009 was our acquisition of the rear view vision systems business of Visiocorp Plc.

Cash flow from financing activities

Our net cash from financing activities in the nine month interim period ended December 31, 2011 was ₹ 13,434.0 million, which primarily comprised long term borrowings of ₹ 21,667.5 million and short term borrowings of ₹ 2,359.9 million. This was partially offset by repayments of long term borrowings aggregating to ₹ 9,455.8 million and repayments of short term borrowings aggregating to ₹ 2,196.7 million, along with interest paid of ₹ 1,142.4 million. The proceeds of the new borrowings were used principally for financing the acquisition of an equity shareholding in the Peguform Group.

Our net cash from financing activities in Fiscal 2011 was ₹ 1,864.1 million, which primarily comprised long term borrowings of ₹ 3,232.6 million and short term borrowings of ₹ 998.7 million. This was partially offset by repayments of long term borrowings aggregating to ₹ 1,295.4 million and repayments of short term borrowings aggregating to ₹ 1,436.4 million. The proceeds of these borrowings were used principally for capital expenditure.

Our net cash from financing activities in Fiscal 2010 was ₹ 3,600.7 million, which primarily comprised long term borrowings of ₹ 2,245.6 million, short term receipts of ₹.1,704.6 million and proceeds from the issue of share capital of ₹ 1,482.8 million. This was partially offset by repayments of long term borrowings aggregating to ₹ 1,119.5 million, interest payments of ₹ 605.7 million and repayments of short term borrowings aggregating to ₹ 513.5 million. These proceeds were used principally for capital expenditure and acquisitions.

Capital expenditure

Our capital expenditure principally includes purchases of plant, property and equipment by SMR and MSSL. In the nine month interim period ended December 31, 2011, SMR's capital expenditures included investments in establishing manufacturing facilities in Hungary, Brazil, Thailand and Pune, India, as well as ordinary course capital expenditure in existing facilities. MSSL's capital expenditures in the nine month interim period ended December 31, 2011 included investments in establishing manufacturing facilities for wiring harnesses and polymer processing at several locations in India. Other major expenses include the setting up of new manufacturing facilities for metal working in Noida, India.

Major items of capital expenditure expected in Fiscal 2013 and beyond include the completion of SMR's manufacturing facilities in Thailand and Pune, and the ramping up of capacity at our new manufacturing facility in Hungary, MSSL's expansion of existing manufacturing facilities for polymer processing in North India and Chennai and new wiring harness manufacturing facilities in Thailand and Mexico, along with the completion of the metal working facilities in Noida.

In addition, we expect that many of our Joint Ventures will engage in capital expenditure in relation to expanding their businesses. These include MMM, Anest Iwata Motherson Limited, Nachi Motherson Techno Tools Limited and MIND.

Capital commitments

Our outstanding capital commitments as of December 31, 2011 were ₹ 1,840.7 million and comprised unexpired amounts of the contracts on capital accounts and not provided for. We expect these commitments to be discharged during Fiscal 2013.

Indebtedness

As of December 31, 2011, our consolidated secured loans aggregated to ₹ 35,343.7 million, which consisted primarily of long term foreign currency loans from banks amounting to ₹27,409.5 million, working capital facilities

and short term foreign currency loans from banks amounting to ₹ 2,369.6 million and finance lease liabilities from other entities amounting to ₹1,598.4 million.

Our consolidated secured loans increased significantly by 278.0% to ₹ 35,343.7 million as of December 31, 2011, from ₹ 9,349.9 million as of March 31, 2011, as a result of the acquisition financing and working capital facilities entered into in relation to our acquisition of an equity shareholding in the Peguform Group. Our long term foreign currency loans from banks increased by 450.8% to ₹ 27,409.5 million as of December 31, 2011, from ₹ 4,976.1 million as of March 31, 2011, largely due to the acquisition financing relating to our acquisition of an equity shareholding in the Peguform Group.

The maturity profile of our secured loans as of December 31, 2011 is set forth below:

(₹ million)

Liabilities	On demand	0 to 1 years	1 to 3 years	3 to 5 years	More than 5 years	Total
Secured loans	2,055.6	6,294.1	11,782.6	13,330.2	1,881.2	**35,343.7**

In addition, as of December 31, 2011, we had unsecured loans of ₹ 3,833.1 million, of which ₹ 2,403.2 million was long term foreign currency loans from banks and ₹ 691.0 million was short term rupee and foreign currency loans from banks.

Our unsecured loans increased significantly by 139.0% to ₹ 3,833.1 million as of December 31, 2011 from ₹ 1,604.0 million as of March 31, 2011. This is largely due to the increase in our long term foreign currency loans from banks to ₹ 2,403.2 million as of December 31, 2011, from ₹ 1,103.1 million as of March 31, 2011.
The maturity profile of our unsecured loans as of December 31, 2011 is as follows:

(₹million)

Liabilities	On demand	0 to 1 years	1 to 3 years	3 to 5 years	More than 5 years	Total
Unsecured loans	48.6	1,253.1	1,154.3	927.6	449.5	3,833.1

Further, SMFL has extended guarantees to certain lenders in relation to debt facilities availed by its Subsidiaries, Joint Ventures and Other Consolidated Entities. For further details, see "Financial Indebtedness" at page 488.

Financial condition

As of December 31, 2011, our net worth was ₹ 14,332.4 million.

Assets

As of December 31, 2011, our fixed assets increased significantly to ₹ 45,151.2 million from ₹ 21,353.8 million as of March 31, 2011, after giving effect to depreciation, amortisation and adjusting revaluation reserves. This is largely due to the consolidation of the Peguform Group in our financial statements as of December 31, 2011, as well as the completion of SMR's rear view vision systems plant in Brazil and Hungary during this period.

As a consequence, our plant and machinery increased to ₹ 18,659.9 million as of December 31, 2011 from ₹ 5,038.5 million as of March 31, 2011, capital work in progress increased to ₹ 4,295.1 million as of December 31, 2011 from ₹ 2,859.3 million as of March 31, 2011 and goodwill on consolidation increased to ₹ 7,637.7 million as of December 31, 2011 from ₹ 6,705.6 million as of March 31, 2011.

Our current assets, loans and advances, in the aggregate, increased to ₹ 45,515.1 million as of December 31, 2011 from ₹ 18,892.5 million as of March 31, 2011. These mainly comprised inventories of ₹ 16,865.8 million and sundry debtors aggregating to ₹ 17,144.8 million as of December 31, 2011, which increased from ₹ 6,561.2 million and ₹ 6,813.9 million, respectively, as of March 31, 2011, largely as a result of the consolidation of the Peguform Group in our financial statements as of December 31, 2011. We had investments of ₹ 1,090.9 million as of December 31, 2011, as compared to ₹ 475.5 million as of March 31, 2011. This was as a result of the increase in

our long term investments in associates, pursuant to the acquisition of an equity shareholding in the Peguform Group in the nine month interim period ended December 31, 2011.

Liabilities

Our liabilities as of December 31, 2011 increased significantly compared to March 31, 2011. Our secured and unsecured loans increased to ₹ 35,343.7 million and ₹ 3,833.1 million, respectively, as of December 31, 2011, from ₹ 9,349.9 million and ₹ 1,604.0 million, respectively, as of March 31, 2011, as a result of the acquisition financing and working capital facilities entered into relating to our acquisition of an equity shareholding in the Peguform Group. Our sundry creditors increased to ₹ 24,152.1 million as of December 31, 2011, from ₹ 10,488.3 million as of March 31, 2011, largely due to the consolidation of the Peguform Group in our financial statements as of December 31, 2011. Our provisions as of December 31, 2011 aggregated to ₹ 2,498.2 million, comprising mainly ₹ 779.5 million in income tax, ₹ 1,139.2 million for employee benefits and ₹ 463.6 million for warranties. The provision in relation to income tax has increased primarily as a result of provisions made for exchange loss on foreign currency loans.

Contingent Liabilities

As of December 31, 2011, we had contingent liabilities of ₹ 246.4 million, of which liability in respect of bank guarantees furnished by SMFL accounted for ₹ 117.0 million and liability in respect of other taxes and duties amounted to ₹ 56.4 million.

Quantitative and qualitative disclosure 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 two types of risk – currency rate risk and interest rate risk. The financial instruments that are affected by these include loans and borrowing, deposits, available-for-sale investments and derivative financial instruments. We undertake a sensitivity analysis in relation to the amount of our net debt, the ratio of fixed to floating interest rates of our debt and derivatives, our financial instruments that are in foreign currencies, and on the basis of hedge designations in place as of March 31, 2011. We use derivative financial instruments such as foreign exchange contracts and interest rate swaps to manage our exposures to such interest rate and foreign exchange fluctuations.

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. We are subject to market risks due to fluctuations in interest rates primarily in relation to our debt obligations with floating interest rates. As of December 31, 2011, of our consolidated secured loans and unsecured loans aggregating ₹ 39,176.8 million, debt aggregating ₹ 34,671.5 million carried floating interest rates. We selectively hedge our interest rate risk.

Foreign exchange risk

We face foreign exchange risk in respect of (i) our foreign currency loans, in respect of which we selectively hedge currency risk, (ii) currency mismatches between our income and our expenditures, which we seek to manage as much as possible by matching income currency to expenditure currency at the operating entity level, and (iii) currency translation for the purpose of preparing our consolidated financial statements, on account of our global operations.

Credit risk

We are subject to the risk that our counterparties under various financial or 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.

In relation to credit risk arising from financing activities, we monitor our ratings, credit spreads and financial strength 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, the aggregate of our sundry debtors as of December 31, 2011 was ₹ 17,144.8 million.

Commodity price risk

Commodity price risk is the possibility of impact from changes in the prices of inputs, such as copper, aluminium, resins and EC glass 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. Therefore, for certain key commodities such as copper and aluminium, we enter into hedging arrangements either with our customers or third parties.

Related party transactions

For details of our related party transactions, see "Financial Information" at page 243 and Annexure V - Note 14 to our Restated Consolidated Financial Statements.

Significant developments after December 31, 2011

SMFL had entered into a non-binding memorandum of understanding dated July 10, 2011 (the "**MoU**"), with Mr. Michael Gnann and Sintermetal, pursuant to which SMFL will acquire an economic interest of 51% in the business of Sintermetal. The value of Sintermetal has been agreed as Euros 500,000 under to the MoU. SMFL has subsequently entered into a Share Purchase Agreement dated March 15, 2012 with, amongst others, Mr. Michael Gnann and Sintermetal, pursuant to which SMFL will acquire a majority of the equity shareholding of Sintermetal. Further, we have completed the mergers of MSSL Global Wiring Limited, India Nails Manufacturing Limited and Sumi Motherson Innovative Engineering Limited with MSSL as of March 31, 2012.

Since December 31, 2011 our business has exhibited sales performance in line with general market conditions and our expectations. However, we expect the factors that adversely affected our profitability in the nine month interim period ended December 31, 2011, which have been discussed above, to have an adverse effect on our results of operations for the full Fiscal 2012.

Unusual of infrequent events of transactions

To our knowledge, there have been no other events or transactions that may be described as "unusual" or "infrequent" during the last three fiscal years, except as disclosed in the Red Herring Prospectus.

Significant economic and regulatory changes

Except as described in "Risk Factors" and "Regulations and Policies" at pages 13 and 169, respectively, there have been no significant economic or regulatory changes that could affect our income from continuing operations.

Future relationship between costs and income

Other than as described in this section and in "Risk Factors" and "Our Business" at pages 13 and 146, respectively, to our knowledge, there are no known factors that may materially affect the future relationship between our operations and income.

Known trends or uncertainties

Except as described in the Red Herring Prospectus, including in "Risk Factors" at page 13 and in this section in particular, to our knowledge, there are no trends or uncertainties that have or had or are expected to have any material adverse impact on our results of operations.

Dependence on a few customers and suppliers

A significant portion of our sales depend on a relatively small number of customers, and we depend on certain suppliers for particular products. For further details, see "Risk Factors" and "Our Business" at pages 13 and 146, respectively.

Competitive conditions

We operate in a competitive environment. For further details, see the discussions regarding our competition in "Risk Factors" and "Our Business" at pages 13 and 146, respectively.

Critical accounting judgments and estimates

Preparation of financial statements in accordance with Indian GAAP and the provisions of the Companies Act, as well as their restatement to reflect the guidance set out in the SEBI Regulations, 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 "Financial Statements" on page 243 and Annexures IV and V to our restated consolidated financial statements.

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 restated consolidated 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. In addition, refer to "Managements Discussion and Analysis of Financial Conditions and Results of Operations – Basis of preparation of the consolidated financial statements" at page 469.

Revenue recognition

We recognise sales upon the transfer of significant risks and rewards of ownership to the customer. Revenue from services is recognised as per the terms of the relevant agreement, as the concerned services are rendered and no significant uncertainty exists regarding the amount of consideration.

Dividend income is recognised at the time that the right to receive the payment is established, while interest income is recognised on a proportion of time basis, taking into account the principal outstanding and the rate applicable.

Segment reporting

The Group is organised into two main business segments, namely "Automotive" and "Non-automotive", determined on the basis of customer industry. The "Automotive" segment consists of certain wiring harnesses, high tension chords wire, plastic components, rubber components, cockpit assembly, CAD, machine tools, injection molding tools, paint coating, metal cutting tools, sunroofs, robots, rear view mirrors and metal coating. The "Non-automotive" segment consists of certain wiring harness, pen-stamp assembly, plastic components, household wires, plates, robots and machine tools. In addition, there is an "Unallocated" portion that consists of certain bimetal band-saws, paint guns, robots and investment companies.

In relation to inter-segment sale, prices are negotiated with reference to costs, market prices and business risks, with the overall objective of achieving optimisation for the Group.

Fixed assets

Our fixed assets are accounted for at cost less accumulated depreciation. The cost is inclusive of freight, taxes and other directly attributable costs of bringing the asset to the working condition for its intended use.

In accordance with Accounting Standard 10 "Accounting for Fixed Assets", the Group charges assets that cost less than certain identified thresholds to expenditure, on the basis that these amounts are not material.

Depreciation

(a) Depreciation on fixed assets, except as stated in (b) to (d) below, is provided from the month the relevant asset is ready for commercial production on a pro-rata basis, based on the useful life or, where applicable, at the straight-line method rates prescribed in Schedule XIV to the Companies Act, 1956, whichever is higher. Accordingly, assets are amortised on the straight line method at the applicable rates.

(b) In respect of revalued assets, depreciation is provided on the revalued amounts over the remaining useful life of the assets at straight-line method rates. Leasehold land is amortised over the balance period of the relevant lease.

(c) Intangible assets such as goodwill recognised on consolidation are carried at cost and are reviewed for impairment at the end of each accounting year.

(d) Other intangible assets are amortised over a period of two to five years, based on their useful lives.

Investments

Investments, other than investments in Subsidiaries, Joint Ventures and Other Consolidated Entities, are classified into long-term and current investments.

Long-term investments are carried at cost except for those investments acquired pursuant to a scheme of amalgamation, which have been stated at fair value on the date of amalgamation as per the order of the relevant court. A provision for diminution is made to recognise a decline, other than temporary, in the value of these investments.

Current investments are carried at the lower of cost and fair value. Fair value in the case of quoted investments refers to the market value of these investments arrived at on the basis of their last traded prices as at the date of the balance sheet.

Investment properties are stated at amortised cost. These properties are derecognised upon disposal or when they are permanently withdrawn from use and no future economic benefit is expected. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the income statement in the period in which the asset is derecognised.

Employee benefits

(a) In respect of companies incorporated in India

Contributions to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered services entitling them to such contributions. Actuarial valuations are carried out at each balance sheet date, and actuarial gains and losses are recognised in the profit and loss account for the period in which they occur. Past services cost is recognised immediately to the extent the benefits are already vested, and is otherwise amortised on a straight-line basis over the average period until the benefits vest. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and in certain companies where funded, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

(b) In respect of companies incorporated outside India

The cost of providing benefits under defined benefit plans is determined separately for each plan, 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 at the beginning of the year of long-term market returns, adjusted for the effect on the fair value of plan assets of contributions received and benefits paid during the year.

An economic benefit, in the form of a refund or a reduction in future contributions, is available if the Group can realise it at some point during the life of the plan or when the plan liabilities are settled. The value of a net pension benefit asset is restricted to the sum of any unrecognised past service costs and the present value the Group expects to recover by way of refund from the plan or reduction in future contributions. The Group determines the maximum economic benefit that is available from refund, reduction in future contributions or a combination of both.

Contributions to defined contribution schemes are recognised in the income statement in the period in which they become payable. The Group recognises the present value of long term retention bonuses as expenditure, based on the amounts expected to be paid and considering expectations of fluctuation in the number of employees.

Foreign currency transactions

Transactions involving foreign currencies are recorded at the exchange rate prevailing at the transaction date. Foreign currency monetary items are translated at the exchange rate prevailing at the date of the balance sheet, and the gain or loss arising on such translation is credited or charged to the profit and loss account, as applicable. Any premium or discount arising at the inception of a forward exchange contract is amortised as expense or income over the life of the contract.

Inventories

Stores, spares and loose tools, raw materials, components, finished goods and works in progress are valued at cost or net realisable value, whichever is lower. The basis for determining costs for these various categories of inventory are set forth below:

Type of Inventory	Basis for determining cost
Stores and spares, raw materials and components	FIFO method, other than in respect of certain Joint Ventures, where costs are determined on a weighted average basis
Works in progress and finished goods	Material cost plus appropriate share of labour and production overheads
Tools	Cost less amortisation, based on the useful life of the tools ascertained on a technical estimate by the management

Provisions for taxes

We provide for current taxes on the basis of tax payable on estimated taxable income, computed in accordance with the applicable provisions after considering the tax allowances and exemptions.

In accordance with Accounting Standard 22 “Accounting for Taxes on Income”, the deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the date of the balance sheet. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in the future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of the realisation of these assets.

Fringe benefit tax liability is computed in accordance with relevant tax rates and laws.

Other Information

Certain other information extracted from our responses to SEBI observations is presented below.

Sources of Investment

The investments made by the Company have been funded by a combination of issue of share capital and borrowings. Further details of the investments made by the Company and the sources of financing are provided in the Company's financial information as part of its cash flow statement in the section titled "Financial Information" at page 243.

Investment policy

The Company's investment policy is in compliance with Accounting Standard S 13: "Accounting for Investments (AS 13)". The Company acquired certain investments through a scheme of amalgamation which were accounted for at fair value under purchase method of accounting in accordance with paragraph 29 of AS 13, which provides that investments acquired in exchange of shares issued may be accounted for at their fair values, as well as Accounting Standard 14: "Accounting for Amalgamations", which provides that in case a company accounts for an amalgamation in the nature of purchase, it may account for the assets and liabilities at their respective fair values.

Advances against share application money

Advance against share application money pending allotment represents the investments of the Company for which the allotment of the shares has not been completed as on the date of the statement on assets and liabilities. As at March 31, 2011, there was no outstanding advance against share application money pending allotment. Details of share application money received as advance in Fiscals 2009 and 2010 are set forth below:

Date of allotment	Type of share	Amount received (₹)	Amount refunded (₹)	Application money for which shares allotted	Number of shares allotted
11.04.2009	0% fully and compulsorily convertible preference shares	2,250,000,000	189,435,945	2,060,564,055 (₹ 1,248,826,700 for the face value and ₹ 811,737,355 as premium)	124,882,670 shares of face value of ₹ 10 per share and premium of ₹ 6.50 per share
10.04.2010	Equity shares	Conversion of preference shares into equity shares	-	-	53,539,843 shares of fave value ₹ 10 per share and premium of ₹ 13.33 per share

For further details of share application money received as advance in Fiscal 2007, amounting to ₹ 2,921.3 million, see "Annexure V – Notes to Restated Financial Information" in our restated standalone financial statements in the section titled "Financial Information at page 243.

Investments in MSSL

Details of the change of the Company's shareholding in MSSL in the previous five full financial years are set out below:

Date	Total equity shares of MSSL issued and outstanding	No. of equity shares held by SMFL	Shareholding (%)	Change during the year	Increase/ decrease (%)	Reason
31.3.2007*	234,889,200	50,790,240	21.6			
31.3.2008	355,553,800	76,185,360	21.4	25,395,120 equity shares acquired pursuant to bonus issue	(0.2)	Due to the issue of 117,444,600 bonus shares on September 10, 2007

Date	Total equity shares of MSSL issued and outstanding	No. of equity shares held by SMFL	Shareholding (%)	Change during the year	Increase/ decrease (%)	Reason
						and the allotment of 3,220,000 equity shares upon conversion of Zero Coupon Foreign Currency Convertible Bonds issued by MSSL, the equity stake of the Company in MSSL decreased
31.3.2009	355,553,800	122,277,893	34.4	46,092,533 equity shares acquired as follows: a) 3,529,935 equity shares purchased from Ganpati Auto Industries; b) 8,344,955 equity shares purchased from Motherson Sehgal Cables; c) 34,171,875 equity shares purchased from Sojitz Corporation; and d) 45,768 equity shares purchased from the stock market	13.0	The Company acquired additional stake in MSSL, increasing its shareholding from 21.4% to 34.4%.
31.3.2010	374,593,800	140,838,015	37.6	18,560,122 equity shares acquired as follows: a) 7,000,000 equity shares purchased from Motherson Sehgal Cables; b) 1,205,392 equity shares purchased from Renu Sehgal; c) 1,404,517 equity shares purchased from Laksh Vaaman Sehgal; d) 1,098,450 equity shares purchased from Vidhi Sehgal; e) 2,186,826 equity shares purchased from Vikram Chaand Sehgal; and f) 5,664,937 equity shares purchased from Vaaman Auto Industries	3.2	The Company acquired additional stake in MSSL, increasing its shareholding from 34.4% to 39.6%. Further, due to the allotment of 19,040,000 equity shares upon conversion of Zero Coupon Foreign Currency Convertible Bonds issued by MSSL, the stake of the Company in MSSL decreased
31.3.2011	387,534,800	140,838,015	36.3		(1.3)	Due to the allotment of 12,950,000 equity shares upon conversion of Zero Coupon Foreign Currency Convertible Bonds issued by MSSL, the stake of the Company in MSSL decreased
31.12.2011	391,964,160	141,569,584	36.1	731,569 equity shares	(0.2)	As a result of the

Date	Total equity shares of MSSL issued and outstanding	No. of equity shares held by SMFL	Shareholding (%)	Change during the year	Increase/ decrease (%)	Reason
				acquired as follows: a) 20,000 equity shares purchased from the stock market b) 711,569 equity acquired as a result of the merger of Sumi Motherson Innovative Engineering Limited into MSSL		completion of the merger of Sumi Motherson Innovative Engineering Limited into MSSL, MSSL's issued and outstanding equity share capital increased and the percentage of the Company's shareholding in MSSL decreased

[*] *As on March 31, 2007, the equity shares were held by Motherson Consultancy Private Limited.*

Investments in certain entities

The Company's investment in Munjal Showa Limited was sold in Fiscal 2010. The balance of this investment has therefore been disclosed as 'nil' as at March 31, 2010 and 2011 in the company's restated consolidated financial statements. Further, MIND has been reclassified from a "quoted investment" to an "unquoted investment" since Fiscal 2009, as the shares of MIND were delisted in Fiscal 2009.

Writing back of diminution in value of investments

The provision for diminution in value of investments has been pushed back to the years to which it relates in accordance with Para B[9(b)] of item (IX) of Schedule VIII of the SEBI Regulations. The overall provision for diminution in value of investments as at March 31, 2011 continues to be at the same level as before and is in compliance with the applicable Accounting Standard. For further details, refer to the section titled "Financial Information" at page 243.

Scope of work of statutory auditors and examination report

The scope of work of the statutory auditors, as agreed with the management of the Company, is based on the (Revised) Guidance Note on Reports in Company Prospectuses issued by ICAI. The terms of the agreement between the auditors and the management of the Company are not in variance with the Companies Act, the SEBI Act and the regulations issued by the ICAI.

The responsibility of the statutory auditors, as agreed with the management, is based on the (Revised) Guidance Note on Reports in Company Prospectuses issued by ICAI and relevant provisions in Part 2 of Schedule II to the Companies Act, 1956 as well as item (IX) of Schedule VIII of the SEBI Regulations.

The Company's consolidated financial statements include the financial statements of two subsidiaries and five joint venture companies that have not been audited on account of various reasons including the fact that there is no requirement for an audit of financial statements of some companies in the countries in which these companies are located. The un-audited financial statements of these entities have been considered in the consolidated financial statements of the Company for the respective years and also in the restated consolidated financial information of the Company. These results of operations of these entities, in aggregate, are not material to the consolidated financial statements of respective years and also to the restated consolidated financial information.

Name	Contribution to Consolidated Revenues (%)	Contribution to Consolidated Profits (%)	Contribution to Consolidated Assets (%)
SMFS, Cyprus	-	(1.13)	0.07
SMFL Inc.	-	(2.59)	0.03
SMHPL (Mauritius)	-	(3.90)	0.11

MTTT Inc.	-	-	-
Avonhill Ltd.	0.00	0.05	-
MMM BV	-	-	0.02
Webasto	0.03	(0.01)	0.05
Total	**0.04**	**(7.58)**	**0.28**

Acquisition of Visiocorp's business from administration

We acquired the rear view vision systems business of Visiocorp from administration. This refers to the pre-packed court administration process pursuant to which the business of Visiocorp was acquired. This process refers to the sale of all or part of the business and assets of a distressed company after that company's entry into administration (a UK procedure for the reorganization of an insolvent or potentially insolvent company) but which was arranged prior to the administration.

Government grants

The Company recognises government grants in accordance with Accounting Standard 12 on accounting for government grants. For further details of the amount recognised, refer to the section titled "Financial Information" at page 243.

Financial information certified by management

The financial information disclosed on page 243 of this RHP has been audited. The phrase "as represented by the management" relates to the entities related to the promoters of the Company as indicated by an '*' in Annexure IX, which are as certified by the management of the Company.

FINANCIAL INDEBTEDNESS

As of December 31, 2011, the total outstanding amount in respect of the secured loans of our Company on a standalone basis was ₹ 1,500 million and the total outstanding amount in respect of the secured and unsecured loans of our Company on a consolidated basis was ₹ 39,176.8 million. There is no outstanding amount in respect of unsecured loans of our Company as of December 31, 2011. For further information, see the section titled "Financial Statements" at page 243.

The details of the secured loans of our Company on a standalone basis are as follows:

Name of lender	Loan Documentation	Facility (in ₹ million)	Purpose*	Interest Rate (p.a.)	Tenor	Security
JM Financial Products Private Limited	Term sheet dated September 6, 2011 under Master Loan Agreement dated December 9, 2009	600	For infusion of funds in business/joint ventures and refinancing of term loans	13% payable monthly within 3 working days from the month end	Till September 14, 2012	Pledge over shares of MSSL
Citicorp Finance (India) Limited	Term sheet and loan cum pledge agreement dated December 22, 2010; extension letter dated September 13, 2011	200	For refinancing of existing debt which was borrowed for investments in group companies.	14% payable monthly	Till December 27, 2012	Pledge over shares of MSSL
Aditya Birla Finance Limited	Loan cum pledge agreement dated March 24, 2011 and term sheet dated September 14, 2011	400	Infusion of funds in business/ joint ventures and general purpose	12.75% in relation to the facility of ₹ 250 million and for the remaining ₹ 150 million, the interest rate shall be determined at the time of disbursement	Till March 27, 2013	Pledge over shares of MSSL
Kotak Mahindra Investments Limited	Term sheet dated January 31, 2011 under a Revolving Credit Facility Agreement; Letter dated September 6, 2011 for extension of tenor	200	Infusion of funds in business/ joint ventures and general purpose	13.35% payable monthly	Till February 6, 2013*	Pledge over shares of MSSL
L&T Finance Limited	Loan against Securities Agreement dated March 24, 2011	250	For repayment of existing loans and investment in joint ventures in India and abroad.	12.25% payable monthly in advance	24 months from the date of first disbursement	Pledge over shares of MSSL

* *As certified by Keshari Keshari & Co., Chartered Accountants through a certificate dated March 30, 2012*

The salient features of the debt facilities availed by our Company are as follows:

(i) The rate of interest may be varied by the lender from time to time and may therefore, fluctuate throughout the tenure of the loan. The same shall be binding on our Company, and non-payment thereof may lead to an immediate liability to repay the loan.

(ii) The facilities are secured against shares and other securities held by our Company, including those of Motherson Sumi Systems Limited.

(iii) Our Company is required to maintain a specified value of securities with the lender. In case the value of the pledged securities falls below the stated limit, additional securities would have to be provided by our Company. The lender may also decide, at its discretion, to ask for a modification of the composition of the securities pledged.

(iv) The lender may appropriate payments made by our Company towards defaults made under any other agreement with it or its affiliates.

(v) The lender may additionally charge a default interest in case of delays in repayment.

(vi) An event of default gives the lender the right to cancel the loan facility and call upon our Company to repay the amount due. An event of default also gives the lender the right to vary the terms of the agreement to protect its interests.

(vii) Our Company is required to obtain prior approval of the lenders in case of the following contingencies:

a. Change in the management/control or the majority shareholding in our Company;

b. Any merger, amalgamation or other restructuring, which leads to a delisting of shares from the stock exchanges or affects the control of the existing shareholders over our Company.

c. Material amendment or modification of the Memorandum of Association of our Company.

For further information in this regard, see the section titled "Financial Statements" on page 243.

Further, our Company has extended guarantees to certain lenders in relation to debt facilities availed by our Subsidiaries, Joint Venture entities or Other Consolidated Entities. As of December 31, 2011, the total outstanding amount in respect of all such facilities was ₹ 9,404.2 million.

Name of borrower	Name of lender	Sanctioned debt amount	Purpose	Guaranteed amount	Nature and terms of the guarantee
Samvardhana Motherson Finance Services Cyprus Limited	ICICI Bank UK Plc	USD 15 million[1^]	For funding acquisitions, investments, repayment of existing loans and other expenses	USD 16 million[1^]	• Our Company has guaranteed the punctual performance by the borrower of its obligations under the financing documents. • Also, in the event the borrower does not pay any amount when due under or in connection with the financing documents, our Company shall immediately on demand pay that amount as if it is the principal obligor. • Further, our Company shall indemnify the lender immediately on demand against any cost, loss or liability suffered by the lender if any obligation guaranteed by our Company is or becomes unenforceable, invalid or illegal.
Samvardhana Motherson Holding (M) Private Limited	ICICI Bank UK Plc	GBP 14.12 million[1^]	For funding acquisitions, investments, and other expenses	GBP 15.53 million[1^]	• Our Company has guaranteed the punctual performance by the borrower of its obligations under the financing documents. • Also, in the event the borrower does not pay any amount when due under or in connection with the financing documents, our Company shall

Name of borrower	Name of lender	Sanctioned debt amount	Purpose	Guaranteed amount	Nature and terms of the guarantee
					immediately on demand pay that amount as if it is the principal obligor. • Further, our Company would be liable as a principal debtor and primary obligor to indemnify the lender in case of any loss suffered by it due to failure of the borrower to pay the amount payable by it on the relevant date.
Motherson Climate System Limited	Yes Bank Limited	₹ 200 million	For import of raw material and trading goods	₹ 200 million	• Irrevocable and unconditional guarantee for the due payment to the lender, of all amounts payable by the borrower in respect of the facilities or under the facility agreement and together with interest and other charges, including all legal charges and expenses payable by the lender under the facility agreement. • The liability of our Company shall not exceed the principal sum of ₹ 200 million plus interest accrued and accruing at the rate prescribed in the facility agreement.
Spheros Motherson Thermal System Limited	Axis Bank Limited	₹ 33 million	For working capital requirements, purchase of raw material, and other day to day expenditures,	₹ 33 million	• Irrevocable and absolute guarantee to ensure that the borrower shall duly and punctually repay the credit facility together with all interest, liquidated damages, premium on prepayment or on redemption, costs, expenses and other monies in accordance with the facility documentation. • On a default of payment by the borrower, our Company shall pay the lender all the amounts payable by the borrower under the facility documentation at the rates prescribed.
Samvardhana Motherson Reflectec Group Holdings Limited *	State Bank of India (London Branch)	Euro 20 million[1]	For financing acquisition of certain Visiocorp companies	Euro 9.8 million[1]	• Joint and several guarantee, as primary obligors, the due and punctual payment by the borrower of the outstanding indebtedness and due and punctual performance of obligations to be performed by the borrower under or pursuant to the finance documents. • The guarantee will be limited to the maximum amount permitted by any applicable law and the maximum amount guaranteed will not exceed Euro 9.8 million.
Motherson Advanced Tooling Solutions Limited	State Bank of India	₹ 410 million	To partly fund the acquisition of business undertaking of manufacturing	₹ 410 million	• Guarantee for due payment of the principal amount together with interest costs charges, expenses and other monies due to the lender in respect of the credit facility on

Name of borrower	Name of lender	Sanctioned debt amount	Purpose	Guaranteed amount	Nature and terms of the guarantee
			of gear cutting tools from Dagger Forst Tools Limited		demand by the lender.
Motherson Advanced Tooling Solutions Limited	Standard Chartered Bank	₹ 280 million	For working capital purposes, issuance of bonds, guarantees and letters of credit for purchase/import of goods and machinery	₹ 280 million	• Guarantee for the due repayment of any or all amounts due and payable by the borrower including the principal sum and all interests, charges, expenses and other moneys, in case of an event of default by the borrower.
Nissin Advanced Coating Indo Co. Limited	Japan Bank for International Cooperation and Mizuho Corporation Bank Limited	USD 1 million[1]	To finance the expenditures for establishment of a production facility	49% of USD 1 million[1]	• Nissin Electric Co., Ltd ("**Nissin**")., has delivered the absolute and unconditional gurantees to the lenders and our Company shall reimburse Nissin for 49% of the amount paid by Nissin under the guarantee.
Samvardhana Motherson B.V., Forgu GmbH, Samvardhana Motherson Global Holdings Limited	ICICI Bank Limited (Singapore Brach)[**]	Euro 190 million[***]	To finance the acquisition of the Peguform companies	Up to 110% of the US$ equivalent of Euro 93 million	• Guarantee for the due payment of all obligations under the loan documentations and towards indemnification of any cost, loss or liability the lenders incur as a result the borrowers not paying any amount, which would, but for unenforceability, invalidity or illegality, have been payable by them under the loan documentations.

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[*] *The guarantee has been jointly given by our Company and MSSL*

[1] *For details in relation to the exchange rates as of February 1, 2012, see the section titled "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" on page 10.*

^*For details in relation to exchange rates as of September 13, 2011, see the section titled "Objects of the Issue" on page 99.*

[**]*ICICI Bank Limited (Singapore Branch) is the agent in relation to this syndicated facility. The facility agreement dated November 2, 2011 provides two term loan facilities of the US Dollars equivalent of Euro 97 million and Euro 93 million, aggregating to Euro 190 million. The original lenders specified in the facility agreement are ICICI Bank Limited (Singapore Branch) (in its capacity as a lender), Standard Chartered Bank, Axis Bank Limited (Hong Kong Branch), Axis Bank Limited, (DIFC Branch, Dubai), DBS Bank Limited and Export-Import Bank of India (London Branch). Our Company and MSSL have guaranteed the repayment of the Financing Facility up to an amount equal to 110 per cent of the principal amount outstanding. However, our Company's liability in this regard is limited to 110 per cent of the USD equivalent of Euros 93 million.*

The rate of interest on the financing facility is the aggregate of LIBOR, and a margin and mandatory cost as specified in the facility agreement. The financing facility has to be repaid within 60 months of the first utilization date, as per the schedule specified in the facility agreement. However, in case of an equity issuance by our Company, MSSL or SMPL, the financing facility has to be prepaid to the original lenders to the extent of the proceeds from such equity issuance in the order and priority specified in the facility agreement. As per this order, any amount to be prepaid in relation to an equity issuance by our Company has to be applied towards the Euro 93 million component of the financing facility. For further details, see the section titled "Objects of the Issue" on page 99.

The facility document states that an existing lender may, without prior notice to the borrowers or the guarantors, assign any of its rights or transfer by novation, any of its rights and obligations, under the finance documents to another bank or financial institution, provided certain specified conditions are fulfilled. Such a transfer shall be effected when the agent executes a duly completed 'transfer certificate' delivered to it by the existing lender and the new lender. Further, the agent shall only be obliged to execute the 'transfer certificate' delivered to it by the

existing lender and the new lender once it is satisfied it has complied with all necessary 'know your customer' or other similar checks under all applicable laws and regulations in relation to the transfer to such new lender.

Re-financing facility

*Forgu GmbH, Peguform GmbH, and Peguform Iberica have also entered into a facility agreement dated November 2, 2011 ("**Re-Financing Agreement**") with ICICI Bank Limited (Singapore Branch), Standard Chartered Bank, Axis Bank Limited (Hong Kong Branch), Export-Import Bank of India (London Branch) and ICICI Bank UK Plc (Frankfurt Branch) pursuant to which these original lenders have made available to the borrowers a facility of a term loan of Euro 120 million and a revolving loan facility of Euro 60 million, aggregating to Euro 180 million ("**Re-financing Facility**"). The rate of interest on the Re-financing Facility is the aggregate of EURIBOR, and a margin and mandatory cost as specified in the Re-financing Agreement. The Re-financing Agreement provides that an existing lender may, without prior notice to the borrowers or the guarantors, assign any of its rights or transfer by novation, any of its rights and obligations, under the finance documents to another bank or financial institution, provided certain specified conditions are fulfilled. Such a transfer shall be effected when the agent (ICICI Bank Limited (Singapore Branch)) written confirmation from the new lender (in form and substance satisfactory to the agent) that the new lender will assume the same obligations to the other financing parties as it would have been under if it was an original lender. The Borrowers are required to apply the amounts under the Re-financing Facility towards the refinancing of certain existing debts, costs and expenses connected with the same and other purposes as specified in the Re-financing Agreement. Our Company has not guaranteed any portion of the Re-financing Facility.*

[***] *The drawdown is in the USD equivalent of Euro 190 million.*

Some of the significant restrictive covenants contained in the abovementioned facilities, under which our Company is required to obtain the consent of the lenders are as follows:

(i) Cessation of control or ownership of our Company over the borrower.
(ii) Reduction below 50% of Vivek Chaand Sehgal's, Renu Sehgal's and Laksh Vaaman Sehgal's ownership of the entire issued share capital of our Company, or cessation of their control over our Company.
(iii) Creation of any security over the assets, or transfer of any of the assets, or transfer of any of receivables on recourse terms of our Company.
(iv) Amalgamation, demerger, merger, or any corporate reconstruction undertaken by our Company.
(v) Entering into or acquisition of shares in any joint venture or any other entity by our Company.
(vi) Providing any loan to a third party by our Company.
(vii) Issue of shares or equity interest by our Company.
(viii) Declaration of dividend by our Company without payment of amounts due to the lenders.
(ix) Alteration of the memorandum or articles of our Company so as to dispose of or encumber any of our assets.
(x) Incurring any material capital expenditure.

Facilities availed subsequent to December 31, 2011 and up to March 31, 2012

Subsequent to December 31, 2011 and as of March 31, 2012, our Company has been sanctioned an additional facility of ₹ 320 million by Tata Capital Limited, pursuant to a sanction letter dated March 7, 2012. Our Company has drawn down ₹ 300 million from this facility on March 31, 2012.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below (i) there are no outstanding litigations, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, show cause notices or legal notices pending against our Company, our Subsidiaries, Directors, Promoters and Group Companies and entities or against any other company whose outcome could have a materially adverse effect on the business, operations or financial position of our Company, and (ii) there are no defaults including non-payment or overdue of statutory dues, over-dues to banks or financial institutions, defaults against banks or financial institutions or rollover or rescheduling of loans or any other liability, defaults in dues payable to holders of any debenture, bonds and fixed deposits or arrears on cumulative preference shares issued by our Company, Promoters and Group Companies and entities, defaults in creation of full security as per the terms of issue/other liabilities, proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (1) of Part I of Schedule XIII of the Companies Act) other than unclaimed liabilities of our Company or our Subsidiary except as stated below, and (iii) no disciplinary action has been taken by SEBI or any stock exchange against our Company, Subsidiaries, Promoters, Group Companies and entities or Directors.

Further, (i) neither our Company nor our Promoters, Subsidiaries, members of our Promoter Group, Group Companies and entities, and Directors, have been declared as wilful defaulters by the RBI or any other governmental authority and, (ii) except as disclosed in this section, there are no violations of securities laws committed by them or penalties imposed on them thereunder in the past or pending against them, and adverse findings regarding compliance with securities laws.

Unless stated to the contrary, the information provided below is as of the date of this Red Herring Prospectus.

I. Litigation involving our Company and material developments

A. Outstanding litigation

Litigation against our Company

There is no outstanding litigation filed against our Company.

Litigation filed by our Company

There is no outstanding litigation filed by our Company.

B. Proceedings initiated against our Company for economic offences

There are no proceedings against our Company for economic offences.

C. Past penalties imposed on our Company

Compounding proceedings before the RBI

RBI issued a letter dated March 24, 2009 to our Company alleging that the investment of USD 11.4 million made in joint ventures in India by Samvardhana Motherson Finance Services Cyprus Limited, a Cyprus based wholly owned subsidiary of our Company, was in contravention of Regulation 6 of Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations 2000. Our Company filed several applications before the RBI for compounding of the alleged contraventions of the FEMA laws. The applications were returned by the RBI on the grounds, among other things, that the contraventions sought to be compounded required further investigation and that the matter was under investigation by the Directorate of Enforcement ("**ED**"). Our Company submitted the information sought by the ED on June 24, 2010.

Subsequently, our Company again filed a compounding application on July 2, 2011 before the RBI. The RBI, pursuant to its order dated August 18, 2011 has compounded the contravention and imposed a fine of ₹ one million.

D. Potential litigation against our Company

There is no potential litigation against our Company, as on the date of this Red Herring Prospectus.

E. Material developments since the last balance sheet date

Except as disclosed in the section titled *"*Management's Discussion and Analysis of Financial Condition and Results of Operations*"* on page 464, in the opinion of our Board of Directors, there have not arisen, since the date of the last financial statements disclosed in this Red Herring Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of its consolidated assets or its ability to pay its material liabilities within the next 12 months.

F. Outstanding dues to small scale undertaking(s) or any other creditors

There are no dues above ₹ 100,000 to small scale undertaking(s) or any other creditors by our Company which are outstanding for more than 30 days.

G. Material litigations involving Joint Ventures and Other Consolidated Entities

Our Joint Ventures and Other Consolidated Entities are involved in certain legal proceedings which are pending before various courts, tribunals and governmental authorities in India. Some of these legal proceedings involve an amount of ₹ 10 million and above ("**Material Litigation(s)**"). These Material Litigations involving our Joint Ventures and Other Consolidated Entities are as follows:

Material Litigations involving MSSL

1. The Commissioner of Central Excise, Noida ("**CCE**") issued a show cause notice (C. No. IV-CE(9) CP/103/2009/550) dated April 9, 2010 against MSSL requiring it to show cause why a duty amounting to ₹ 22.49 million in respect of clearances of goods from the factory to its sister units as additional duty of customs, be not appropriated along with interest and penalty. MSSL filed a reply dated July 16, 2010. The CCE, pursuant to its order dated March 24, 2011 imposed a penalty of ₹ 22.49 million. MSSL has filed an appeal (No. 1614/2011) dated June 29, 2011 before the Customs, Excise and Service Tax Appellate Tribunal ("**CESTAT**"), New Delhi, against the order of the CCE. The CESTAT pursuant to its order dated December 5, 2011 has imposed a stay on the recovery of the penalty during pendency of the appeal. The matter is currently pending.

2. The Additional Commissioner of Income Tax, New Delhi ("**ACIT**") passed a draft assessment order (F. No. Addl. CIT/R-5/2010-11/970) dated December 28, 2010 against MSSL making an addition of ₹ 57.77 million to the total income declared by MSSL for the assessment year 2007-2008. The addition was made on account of (i) alleged irregularities in the application of transfer pricing principles in case of income from interest on loans granted by MSSL to four of its overseas subsidiaries, (ii) disallowance of exemption claimed for certain income from dividends under Section 14A of the IT Act, and (iii) disallowance of certain expenditure claimed by MSSL towards payment of royalty under a technical assistance and licensing agreement. The ACIT also imposed interest and penalty under the applicable provisions of the IT Act. MSSL filed an objection dated January 27, 2011 before the Dispute Resolution Panel – I, New Delhi ("**DRP**"). The DRP pursuant to its order dated September 12, 2011 set aside the disallowance relating to the royalty but upheld the other additions made by the ACIT. The ACIT pursuant to its assessment order and demand notice dated October 20, 2011 has implemented the observations of the DRP and raised a demand of ₹ 17.62 million as additional tax payable by MSSL. MSSL has filed an appeal dated December 17, 2011 before the Income Tax Appellate Tribunal, New Delhi. The matter is currently pending.

3. The Joint Commissioner (corporate circle), Noida ("**JC**") passed an assessment order dated March 30, 2011, demanding an additional tax of ₹ 11.61 million and ₹ 9.57 million for the assessment year 2007-08 towards value added tax and central sales tax respectively payable by MSSL. The amount payable was subsequently revised by the JC to ₹ 13.56 million and ₹ 3.56 million respectively pursuant to its orders dated May 19, 2011. MSSL filed appeals (Nos. 223 and 224 of 2011) dated May 16, 2011 before the Additional Commissioner (Appeals) ("**ACA**") against the demands raised by the JC. The ACA pursuant to its order dated May 23, 2011 imposed an interim stay on 60% of the disputed amount. MSSL filed appeals (No. 543/2011 and 544/2011) dated May 28, 2011 before the Commercial Taxes Tribunal, Noida ("**CTT**") against the order of the ACA. The CTT pursuant to its order dated June 6, 2011 has enhanced the stay to 85% of the disputed amount till the matter is finally decided by the ACA. The appeal before the ACA is currently pending.

4. MSSL filed an application dated August 29, 2007 before the CCE seeking remission of central excise duty of ₹ 2.02 million, education cess of ₹ 0.04 million and S&H cess of ₹ 0.02 million on account of destruction of finished goods valued at ₹ 12.66 million in a major fire in its factory premises on June 29, 2007. Subsequently, the CCE issued a show cause notice (C. No. V(15) Adj/Noida/MSSL/96/08/10521) dated June 24, 2008 requiring MSSL to show cause why, among other things, (a) excise duty of ₹ 5.30 million, education cess of ₹ 0.11 million and S&H education cess of ₹ 0.05 million payable on the manufactured excisable goods which were damaged by fire should not be recovered from them, (b) cenvat credit of ₹ 7.20 million as excise duty, ₹ 0.14 million as education cess, ₹ 0.07 million as S&H cess and ₹ 1.08 million as special additional duty should not be appropriated towards duty recoverable, and (c) cenvat credit of ₹ 5.35 million for excise duty, ₹ 0.09 million for education cess and ₹ 0.01 million for S&H education cess and ₹ 1.02 million as special additional duty, along with interest should not be recovered.

   MSSL has filed a reply dated September 5, 2008 to the said show cause notice. The CCE has pursuant to an order dated November 5, 2008 disallowed the remission of duty sought by MSSL in its application dated August 29, 2007. MSSL has filed an appeal (No. E/425/2009) dated January 28, 2009 before the CESTAT, New Delhi. The appeal before CESTAT, New Delhi as well as the show cause before the CCE is currently pending.

Material Litigations involving other Joint Ventures, and Other Consolidated Entities

1. Mr. Bruhnke, a former managing director of SMR Automotive Mirror Systems Holding Deutschland GmbH ("**SMR Mirror**"), has filed a claim before the District Court, Stuttgart claiming additional payments amounting to ₹ 31.04 million out of the severance agreement concluded with him by SMR Mirror, along with consultation costs. The matter is currently pending.

2. The Commissioner of Income Tax, New Delhi ("**CIT**") passed an assessment order against Sumi Motherson Innovative Engineering Limited ("**SMIEL**")[*] disallowing certain expenditure and adding an amount of ₹ 11.86 million towards the tax liability of SMIEL for the assessment year 2005-06. SMIEL has filed an appeal (No. 33/2008-09) dated January 28, 2009 before the Commissioner of Income Tax (Appeals), New Delhi. The matter is currently pending.

3. The CIT passed an assessment order against SMIEL[*] disallowing certain expenditure and adding an amount of ₹ 10.15 million towards the tax liability of SMIEL for the assessment year 2004-05. SMIEL has filed an appeal (No. 16/2007-08) dated January 24, 2007 before the Commissioner of Income Tax (Appeals), New Delhi. The matter is currently pending.

4. SMIEL[*] has filed a writ petition (No. 1632 of 2011) against the State of Uttar Pradesh before the High Court of Allahabad challenging the disallowance of concessional rate of tax on high speed diesel and demand of additional value added tax of ₹ 10.08 million pursuant to the notice dated November 1, 2011 issued by the Commissioner, Trade Tax, Uttar Pradesh. The High Court of Allahabad, pursuant to its order dated November 22, 2011 has imposed an interim stay on the recovery of the additional tax. The matter is currently pending.

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[*] *SMIEL has now been merged with MSSL pursuant to the order of the High Court of Delhi dated January 30, 2012. The merger came into effect on March 31, 2012 upon filing of the order with the RoC. For more information, see the section titled "History and Certain Corporate Matters - Motherson Sumi Systems Limited" on page 196.*

5. SMP Productos Automotivos do Brasil Ltda (formerly Peguform Do Brasil Ltda) ("**Peguform Brasil**") has filed a case (No. 2003.70.00.085423-5) dated December 1, 2003 against the Brazilian National Treasury before the Fourth Region Federal Tribunal challenging the imposition of tax on a symbolic currency exchange operation amounting to ₹ 10.79 million. The matter is currently pending.

6. The Brazilian National Treasury has filed a case (No. 10980-900.322/2008-83) dated March 17, 2008 against Peguform Brasil before the Administrative Sphere- Brazilian Federal Revenue alleging non-payment of social contributions amounting to ₹ 26.19 million. The matter is currently pending.

7. The Brazilian National Treasury has filed a case (No. 2008.70.00.030782-9) dated June 24, 2004 against Peguform Brasil before the Parana Federal Justice claiming an amount of ₹ 23.20 million as not being covered under the tax forgiveness program "REFIS IV". The debt is being paid in installments.

8. The Brazilian National Treasury has filed a case (No. 10980.010841/2004-24) dated December 14, 2004 against Peguform Brasil before the Administrative Sphere- Brazilian Federal Revenue claiming an amount of ₹ 15.74 million as not being covered under the tax forgiveness program "REFIS IV". The debt is being paid in installments.

9. Ana Lucia Maciel Pilantil has filed a case (No. 78211-2006-670) against Peguform Brasil before the 1st Labour Court of Sao Jose dos Pinhais claiming an amount of ₹ 16.99 million as damages for pain and suffering due to a labour accident. The matter is currently pending.

10. Ana Martina Bilik has filed a case (No. 1340-2011-965) against Peguform Brasil before the 3rd Labour Court of Sao Jose dos Pinhais claiming an amount of ₹ 16.42 million as damages for pain and suffering due to a labour accident. The matter is currently pending.

11. Andre Henriques Felippe Fonseca has filed a case (No. 959-2005-670) against Peguform Brasil before the 1st Labour Court of Sao Jose dos Pinhais claiming parity in salary and overtime, amounting to ₹ 56.96 million. The matter is currently pending.

12. Claudete Vieira da Silva has filed a case (No. 2851-2011-892) against Peguform Brasil before the 2nd Labour Court of Sao Jose dos Pinhais claiming an amount of ₹ 19.25 million as damages for pain and suffering due to labour accident, overtime dues, health hazard allowance and risk allowance. The matter is currently pending.

13. Denise Aparecida Legnani Barao has filed a case (No. 3577-2007-892) against Peguform Brasil before the 2nd Labour Court of Sao Jose dos Pinhais claiming an amount of ₹ 24.40 million as damages for pain and suffering due to disease caused by labour activities and overtime dues. The matter is currently being settled.

14. Edison Eugenio Ribas dos Santos has filed a case (No. 2093-2008-670) against Peguform Brasil before the 1st Labour Court of Sao Jose dos Pinhais claiming an amount of ₹ 11.24 million as damages for pain and suffering due to labour accidents. The matter is currently pending.

15. Edson Coelho Barboza has filed a csae (No. 3560-2011-965) against Peguform Brasil before the 3rd Labour Court of Sao Jose dos Pinhais claiming an amount of ₹ 36.8 million as overtime dues, health hazard allowance, and damages for pain and suffering due to disease cased by a labour accident. The matter is currently pending.

16. Elenice Souza da Silva has filed a case (No. 5354-2006-892) against Peguform Brasil before the 2nd Labour Court of Sao Jose dos Pinhais claiming an amount of ₹ 109.43 million as overtime dues and damages for pain and suffering due to disease caused by labour activities. The execution procedures are currently on course and the payments have already been made.

17. Eliana dos Santos Fideleino has filed a case (No. 99528-2006-892) against Peguform Brasil before the 2nd Labour Court of Sao Jose dos Pinhais claiming an amount of ₹ 18.71 million as damages for pain and suffering due to disease caused by labour activities. The execution procedures are currently on course and payments are being made by Peguform Brasil.

18. Eliane Coelho Barboza has filed a case (No. 20491-2011-011) against Peguform Brasil before the 11th Labour Court of Curitiba claiming an amount of ₹ 16.70 million as penalty due to termination of temporary labour agreement, overtime dues, damages due to disease caused by labour activities and other claims. The matter is currently pending.

19. Emerson Francisco dos Santos has filed a case (No. 5754-2009-965) against Peguform Brasil before the 3rd Labour Court of Sao Jose dos Pinhais claiming an amount of ₹ 9.91 million as overtime, and damages for pain and suffering due to labour work and health hazard allowance. The matter is currently pending.

20. Fabricio Alves Tambolo has filed a case (No. 720-2007-670) against Peguform Brasil before the 1st Labour Court of Sao Jose dos Pinhais claiming an amount of ₹ 17.70 million as health hazard allowance, overtime dues and damages for pain and suffering. The matter is currently pending.

21. Frank Higashi has filed a case (No. 3423-2011-892) against Peguform Brasil before the 2nd Labour Court of Sao Jose dos Pinhais claiming an amount of ₹ 24.07 million as dues from overtime, parity in salary, health hazard allowance, and damages for pain and suffering due to labour accident and racism. The matter is currently pending.

22. Joao Pedro Siqueira Moreira has filed a case (No. 1269-2009-965) against Peguform Brasil before the 3rd Labour Court of Sao Jose dos Pinhais claiming an amount of ₹ 22.08 million as dues from overtime and parity in salary. The matter is currently pending.

23. Jose Humberto Barboza Santos has filed a case (No. 412-71.2011.5.15.0140) against Peguform Brasil before the 1st Labour Court of Aubaia claiming an amount of ₹ 54.78 million as damages for pain and suffering due to disease caused by labour activities. The matter is currently pending.

24. Jose Pedro Goncalves has filed a case (No. 1563-2007-670) against Peguform Brasil before the 1st Labour Court of Sao Jose dos Pinhais claiming an amount of ₹ 24.52 million as dues from overtime, health hazard allowance, and damages for pain and suffering due to labour accident. The matter is currently pending.

25. Lorival Tuchinski has filed a case (No. 4731-2006-892) against Peguform Brasil before the 2nd Labour Court of Sao Jose dos Pinhais claiming an amount of ₹ 45.58 million as dues from overtime, parity in salary, and damages for pain and suffering due to disease caused by labour activities. The execution procedures are currently on course and payment obligations have been performed by Peguform Brasil.

26. Luciene Alves Ospedal de Souza has filed a case (No. 5335-2008-670) against Peguform Brasil before the 1st Labour Court of Sao Jose dos Pinhais claiming an amount of ₹ 12.83 million as dues from overtime and damages for pain and suffering due to disease caused by labour activities. The matter is currently pending.

27. Luciano Xavier Motta has filed a case (No. 1987-2009-965) against Peguform Brasil before the 3rd Labour Court of Sao Jose dos Pinhais claiming an amount of ₹ 16.99 million as dues from overtime and parity in salary. The matter is currently pending.

28. Marcio Jose Ferreira has filed a case (No. 721-2007-670) against Peguform Brasil before the 1st Labour Court of Sao Jose dos Pinhais claiming an amount of ₹ 19.25 million as dues from parity in salary, damages for pain and suffering, and health hazard allowance. The matter is currently pending.

29. Maria Cristina Malinoske has filed a case (No. 78113-2006-670) against Peguform Brasil before the 1st Labour Court of Sao Jose dos Pinhais claiming an amount of ₹ 11.52 million as damages for pain and suffering due to disease caused by labour activities. The matter is currently pending.

30. Moises Lopes Ribeiro has filed a case (No. 197-2008-670) against Peguform Brasil before the 1st Labour Court of Sao Jose dos Pinhais claiming an amount of ₹ 27.18 million as damages for pain and suffering due to professional disease, overtime dues and health hazard and risk allowance. The matter is currently pending.

31. Moises Pereira da Rocha has filed a case (No. 5031-2007-892) against Peguform Brasil before the 2nd Labour Court of Sao Jose dos Pinhais claiming an amount of ₹ 16.76 million as damages for pain and suffering due to accident caused by labour activities, health hazard allowance and overtime dues. The matter is currently pending.

32. Neide Lino de Pontes has filed a case (No. 1701-2011-892) against Peguform Brasil before the 2nd Labour Court of Sao Jose dos Pinhais claiming an amount of ₹ 11.04 million as damages for pain and suffering due to disease caused by labour activities, overtime dues, and health hazard allowance. The matter is currently pending.

33. Nelsi Martins has filed a case (No. 3507-2006-892) against Peguform Brasil before the 2nd Labour Court of Sao Jose dos Pinhais claiming an amount of ₹ 31.09 million as damages for pain and suffering due to disease caused by labour activities. The matter is currently pending.

34. Nilson Matias dos Santos has filed a case (No. 05071-2009-892) against Peguform Brasil before the 2nd Labour Court of Sao Jose dos Pinhais demanding parity in salary and claiming an amount of ₹ 19.99 million. The matter is currently pending.

35. Paulo Rufino da Silva has filed a case (No. 1707-2008-892) against Peguform Brasil before the 2nd Labour Court of Sao Jose dos Pinhais claiming an amount of ₹ 17.04 million as damages for pain and suffering due to labour accident. The matter is currently pending.

36. Paulo Francisco Martins da Silva has filed a case (No. 1351-08.2011.5.04.0221) against Peguform Brasil before the 1st Labour Court of Guaiba claiming an amount of ₹ 26.47 million as dues from overtime, salary disparity, and damages for pain and suffering due to a labour accident. The matter is currently pending.

37. Rogerlo Rein has filed a case (No. 05384-2010-892) against Peguform Brasil before the 2nd Labour Court of Sao Jose dos Pinhais claiming an amount of ₹ 18.69 million as damages for pain and suffering due to a professional disease. The matter is currently pending.

38. Rosiane Goncalves has filed a case (No. 4664-2010-670) against Peguform Brasil before the 1st Labour Court of Sao Jose dos Pinhais claiming an amount of ₹ 13.02 million as damages for pain and suffering due to disease caused by labour activities. The matter is currently pending.

39. Sanderson Lazzaretti has filed a case (No. 3985-2009-965) against Peguform Brasil before the 3rd Labour Court of Sao Jose dos Pinhais seeking parity in salary and claiming an amount of ₹ 12.17 million, including overtime dues. The matter is currently pending.

40 Simone Vieira has filed a case (No. 4862-2008-670) against Peguform Brasil before the 1st Labour Court of Sao Jose dos Pinhais claiming an amount of ₹ 12.83 million as damages for pain and suffering due to disease caused by labour activities, and overtime dues. The matter is currently pending.

41. Sirley Aparecida Moura Leal has filed a case (No. 6013-2006-892) against Peguform Brasil before the 2nd Labour Court of Sao Jose dos Pinhais claiming an amount of ₹ 41.19 million as overtime dues and damages for pain and suffering caused by a labour accident. The matter is currently pending.

42. Sonia Aparecida P. M. Klimak has filed a case (No. 4668-2007-670) against Peguform Brasil before the 1st Labour Court of Sao Jose dos Pinhais claiming an amount of ₹ 24.40 million as overtime dues and damages for pain and suffering caused by a labour accident. The matter is currently pending.

43. The Income Tax Officer, New Delhi ("**ITO**") passed assessment orders against SMR India for the assessment years 2003-04 and 2004-05 making additions to the taxable income of SMR India on account of an alleged failure to charge arm's length price in the international transactions carried by it with its associated concerns. The ITO demanded amounts of ₹ 9.18 million and ₹ 17.94 million respectively as additional tax and penalty payable by SMR India for the assessment years 2003-2004 and 2004-2005. SMR India preferred appeals to the Commissioner of Income Tax (Appeals), New Delhi, and subsequently to the Income Tax Appellate Tribunal, New Delhi ("**ITAT**"). The ITAT, pursuant to its order dated June 11, 2009 allowed the appeal filed by SMR India. The Commissioner of Income Tax has preferred an appeal (No. 851 of 2010) before the Delhi High Court against the order of the ITAT. The matter is currently pending.

H. Adverse findings against any persons/entities connected with our Company as regards non compliance with securities laws

There are no adverse findings involving any persons/entities connected with our Company as regards non compliance with securities law.

I. Disciplinary action taken by SEBI or stock exchanges against our Company

There is no disciplinary action taken by SEBI or any stock exchange against our Company.

J. Criminal proceedings initiated against our Company

There are no criminal proceedings initiated against our Company outstanding as on the date of the Red Herring Prospectus.

II. Litigation involving the Directors

A. Outstanding litigation against the Directors

Except as stated hereinbelow, there is no outstanding litigation involving our Directors including criminal prosecutions or civil proceedings involving our Directors, and there are no material defaults, violation of statutory regulations or non-payment of statutory dues, over dues to banks/financial institutions or defaults against banks/financial institutions by our Directors (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (1) of part I of Schedule XIII of the Companies Act).

There is one case pending against Satya Pal Talwar before the Sessions Court, Greater Mumbai. For details, see the sub section "Criminal proceedings initiated against our Directors" below.

B. Outstanding litigation filed by our Directors

There are no pending litigations, including disputed outstanding litigations and material developments/proceeding filed by our Directors.

C. Past penalties imposed on our Directors

There are no past penalties imposed on our Directors.

D. Proceedings initiated against our Directors for economic offences

There are no proceedings initiated against our Directors for any economic offences.

E. Criminal proceedings initiated against our Directors

There are no criminal proceedings initiated against our Directors except a case pending against Satya Pal Talwar, an Independent Director before the Special Judge at Sessions Court, Greater Mumbai, pursuant to

an FIR filed against Mr Talwar as Director of Housing Development and Infrastructure Limited ("**HDIL**") for allegations under 13(2) of Prevention of Corruption Act, 1988 and Section 166,167, 409, 420, 34 and 120B of the Indian Penal Code. It may be noted that investigation has been completed and Anti-Corruption Bureau has submitted its report to Sessions Court, Greater Mumbai. It has been stated in the said report that no case is made out against HDIL and its directors.

F. Tax proceedings initiated against our Directors

There are no tax proceedings initiated against our Directors towards tax liabilities as on the date of filing the Red Herring Prospectus.

III. Litigation involving our Promoters

A. Outstanding litigation against our Promoters

There are no pending litigations against our Promoters.

B. Past penalties imposed on our Promoters

There are no past penalties imposed on our Promoters.

C. Criminal proceedings initiated against our Promoters

There are no criminal proceedings initiated against our Promoters as on the date of filing the Red Herring Prospectus.

D. Proceedings initiated against our Promoters for economic offences

There are no proceedings initiated against our Promoters, for any economic offences.

E. Tax proceedings initiated against our Promoters

There are no criminal proceedings initiated against our Promoters towards tax liabilities as on the date of filing the Red Herring Prospectus.

F. Litigation/Defaults in respect of companies/firms/ventures with which our Promoters were associated in the past

There is no outstanding litigation/defaults in respect of companies/firms/ventures with which our Promoters were associated in the past.

G. Adverse findings against any persons/entities connected with our Promoters as regards non compliance with securities laws

There are no adverse findings involving any persons/entities connected with our Promoters with regard to non compliance with securities law.

H. Civil proceedings initiated against our Promoters

There are no civil proceedings initiated against our Promoters as on the date of filing the Red Herring Prospectus.

I. Litigation against our Promoters for violation of statutory regulations

There are no proceedings initiated against our Promoters for violation of statutory regulations as on the date of filing the Red Herring Prospectus.

IV. Litigation involving our Subsidiaries

Certain of our Subsidiaries are involved in litigation proceedings which are currently pending before various courts and tribunals in India. None of the litigation proceedings involving our Subsidiaries exceed ₹ 10.00 million in terms of the amount disputed or claimed.

Except as mentioned hereinbelow, our Subsidiaries are not involved in any litigation proceedings.

i. Motherson Advanced Tooling Solutions Limited ("MATS")

MATS has filed a civil suit seeking damages of ₹ 0.10 million. Further a complaint has been filed against MATS alleging unfair labour practices. The claim in this complaint is not quantifiable. These matters are currently pending.

ii. Motherson Auto Solutions Limited ("MASL")

MASL has been impleaded as a defendant in a civil suit, pertaining to the partition of certain properties. The amount involved, being the value of the said properties, in this suit is ₹2.14 million. The matter is currently pending.

iii. MothersonSumi Infotech & Designs Limited ("MIND")

MIND has filed three cases, including two civil suits, and one criminal complaint for dishonour of cheque. The total amount involved in these cases is ₹ 2.89 million. The matters are currently pending.

V. Litigation involving Group Companies

Except as mentioned hereinbelow, our Group Companies are not involved in any litigation proceedings.

i. Systematic Conscom Limited

There is one tax matter involving Systematic Conscom Limited pending before the Supreme Court of India. The amount disputed in this case is ₹ 1.76 million.

ii. Radha Rani Holdings Pte Ltd ("Radha Rani Holdings")

The assistant director, international taxation, New Delhi passed an order for assessment year 2002-03 assessing the income of Radha Rani Holdings at ₹ 192.37 million resulting in a tax demand of ₹ 100 million. The Income Tax Tribunal, Delhi held Radha Rani Holdings to be a non resident for the said assessment year and deleted the entire addition made by the assessing officer. The Income Tax Department has filed an appeal (ITA No. 106/2008) before the High Court of Delhi against the order of the Income Tax Tribunal. The matter is currently pending.

iii. Field Motor Limited ("FML")

There are four cases pending against FML before different tax authorities in Cuttack. The matters pertain to additional demands raised in respect of entry tax, sales tax and excise duty payable by FML. The total amount involved in these cases is ₹ 6.48 million.

A. Past penalties imposed on our Group Companies

Except as stated herein, there are no past penalties imposed on our Group Companies.

B. Proceedings initiated against our Group Companies and entities for economic offences

Except as stated herein, no proceedings have been initiated against our Group Companies and entities for any economic offence.

C. Adverse findings against any persons/entities connected with our Group Companies and entities as regards non compliance with securities laws

There are no adverse findings involving any persons/entities connected with our Group Companies and entities with regard to non compliance with securities law.

D. Proceedings initiated against our Group Companies and entities involving labour disputes or closure

Except as stated herein, there has been no litigation against our Group Companies and entities with respect to labour disputes or closures as on the date of filing the Red Herring Prospectus.

E. Proceedings against our Group Companies and entities with respect to default/over dues

Except as stated herein, there has been no litigation against our Group Companies and entities with respect to default/over dues as on the date of filing the Red Herring Prospectus.

GOVERNMENT AND OTHER APPROVALS

1. Issue-related approvals

Corporate approvals

- The Board of Directors has, pursuant to resolution dated September 14, 2011, authorised the Issue, subject to the approval of our shareholders under Section 81(1A) of the Companies Act. Further, the IPO Committee has passed a resolution dated April 12, 2012 in relation to the Issue.
- The shareholders have, pursuant to a resolution dated September 24, 2011 under Section 81(1A) of the Companies Act, authorised the Issue.

In-principle approvals from the Stock Exchanges

1. Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated November 4, 2011 and October 24, 2011 respectively. NSE is the Designated Stock Exchange.

Regulatory approvals

1. The RBI, pursuant to its letter dated March 6, 2012 has conveyed its no-objection for transfer of upto 37,100,000 Equity Shares (held on repatriation basis) by the Selling Shareholder in the Issue.

Selling Shareholder's approval

1. The Selling Shareholder has, pursuant to resolutions of its board of directors, dated September 21, 2011 and April 12, 2012, authorised the sale of [●] Equity Shares aggregating ₹ 3,210.00 million as Offer for Sale.

2. Business approvals

Approvals in relation to our Company

Our Company has been formed to act as a holding company to hold and make investments in companies in India and overseas. The material approvals required by our Company, which have been obtained or for which applications have been made, for the foregoing are as follows:

1. Our Company has made applications dated May 6, 2011 to the RBI (which was received and acknowledged by RBI on May 9, 2011) and December 1, 2011 (which was received and acknowledged by RBI on December 19, 2011) for certificate of registration as a CIC-ND-SI. For details on the legal framework governing core investment companies, see "Regulations and Policies" on page 169.

2. Our Company has received approvals from the Foreign Investment Promotion Board/ Department of Industrial Policy and Promotion, GoI, in the past, details of which are provided hereinbelow:

Issuing Authority	Date	Approval granted
Secretariat of Industrial Assistance, Department of Industrial Policy and Promotion, GoI	December 15, 2005	Foreign equity participation (repatriable basis) of 74% amounting to ₹ 200 million by way of issue of 72.5% equity to Vivek Chaand Sehgal, 0.5% equity to NRIs of Motherson Group and 1% to foreign nationals of Motherson Group.
Department of Industrial Policy and Promotion, GoI	March 20, 2006	Amendment to the approval letter dated December 15, 2005 so as to allow foreign equity participation (repatriable basis) of 74% amounting to ₹ 200 million by way of issue of 72.5% equity to Vivek Chaand Sehgal (NRI) and/or his overseas owned or controlled body corporates (including JSRR Holdings (M) Private Limited), 0.5% equity to NRIs of Motherson Group and 1% to foreign nationals of Motherson Group.

Issuing Authority	Date	Approval granted
Department of Industrial Policy and Promotion, GoI	April 1, 2009	Approval for increase in foreign equity participation from 74% to 90% by way of issue of equity shares and/or convertible preference shares and/or compulsory convertible debentures to Sojitz Automotive Investments Pte Limited, Singapore and Sojitz Corporation, Japan. The compulsorily convertible preference shares were required to be converted within 365 days into equity of up to 11.5% of the share capital of our Company.

Approvals in relation to the business of our Company in India

Our Company operates its business through a number of Subsidiaries, Joint Ventures and Other Consolidated Entities, either directly or indirectly. For details of the business of our Company through such entities, see "Our Business" on page 146. The Indian corporate entities which are material to the operation of our business and which contribute significantly to our revenues, directly or indirectly, ("**Indian Material Entities**") are as follows:

1. Motherson Sumi Systems Limited, a joint venture of our Company
2. SMR Automotive Systems India Limited, a subsidiary of MSSL
3. Kyungshin Industrial Motherson Limited, a joint venture of MSSL

Further, the Indian Material Entities operate their business through certain major facilities or plants ("**Material Facilities**").

The Material Facilities of Motherson Sumi Systems Limited are based in (i) Sarai Khawaja, sector 36, Faridabad, Haryana (ii) C 14A and 14B, sector 1, Noida, Uttar Pradesh (iii) A4, Sector 84, Noida, Uttar Pradesh (iv) plot no. 21 and 22, Industrial Estate, Gurgaon, Haryana (v) Marunji, Hinjewadi, Aundh camp, Pune, Maharashtra (vi) A-3, sector 84, Noida, Uttar Pradesh (vii) Kuruvenmedu, Chengalpattu, Kanchipuram, Chennai, Tamil Nadu (viii) Pondur, Sriperambadur, Kanchipuram, Chennai, Tamil Nadu, (ix) sector 4 IMT, Manesar, Haryana (x) sector 60, Noida, Uttar Pradesh and (xi) Kumbalgodu, Bangalore- Mysore road, Karnataka.

The Material Facilities of SMR Automotive Systems India Limited are based in (i) sector 58, Noida, Uttar Pradesh, and (ii) Poonamallee, Chennai, Tamil Nadu.

The Material Facilities of Kyungshin Industrial Motherson Limited are based in (i) Padappai main road, Kancheepuram district, Tamil Nadu and (ii) Oragadam, Kancheepuram district, Tamil Nadu.

The key approvals that are required by the Indian Material Entities for operating their business through the Material Facilities ("**Key Approvals**") are as follows:

a) Registration under the Contract Labour (Regulation and Abolition) Act, 1970;
b) Registration under the Factories Act, 1948;
c) Consent under the Water (Prevention and Control of Pollution) Act, 1974;
d) Consent under the Air (Prevention and Control of Pollution) Act, 1981;
e) Authorisation under the Hazardous Wastes (Management and Handling) Rules, 1989; and
f) Grant of EOU status by the concerned Development Commissioner, as applicable.

The Indian Material Entities have all the Key Approvals for operating their business through the Material Facilities except as set forth below for which applications are currently pending:

Key Approvals which are pending

Material Entity	Material Facility	Particulars of the Key Approval
MSSL	A-4, sector 84, Noida, Uttar Pradesh	Application for renewal of license under the Factories Act made to the Deputy Director of Factories, Uttar Pradesh on October 31, 2011 Application for authorisation under the Hazardous Wastes Rules made

		to the Uttar Pradesh Pollution Control Board on June 7, 2010.
	Plot no. 21 and 22, Industrial Estate, Gurgaon, Haryana	Application for renewal of license under the Factories Act made to the Chief Inspector of Factories, Haryana on October 18, 2011 Application for renewal of consent under the Air Act, Water Act and Hazardous Wastes Rules made to the Haryana Pollution Control Board on February 25, 2012
	C 14A and 14B, sector 1, Noida, Uttar Pradesh	Application for renewal of license under the Factories Act made to the Deputy Director of Factories, Uttar Pradesh on October 31, 2011
	Marunji, Hinjewadi, Aundh camp, Pune, Maharashtra	Application for renewal of license under the Factories Act made to the Joint Director, Industrial Safety & Health, Pune on October 25, 2010.
	A-3, sector 84, Noida, Uttar Pradesh	Application for renewal of license under the Factories Act made to the Deputy Director of Factories, Uttar Pradesh on October 31, 2011 Application for authorization under the Hazardous Wastes Rules made to the Uttar Pradesh Pollution Control Board on June 7, 2010.
	Sector 60, Noida, Uttar Pradesh	Application for renewal of license under the Factories Act made to the Deputy Director of Factories, Uttar Pradesh on October 29, 2011 Application for renewal of consent under the Hazardous Wastes Rules made to the Uttar Pradesh Pollution Control Board on May 3, 2011.
	Pondur, Sriperambadur, Kanchipuram, Chennai, Tamil Nadu	Application for renewal of consent under the Air Act and Water Act made to the Tamil Nadu Pollution Control Board on March 5, 2012
	Sector 4 IMT, Manesar, Haryana	Application for renewal of consent under the Air Act, Water Act and Hazardous Wastes Rules made to the Haryana Pollution Control Board on February 21, 2012
	Sarai Khawaja, sector 36, Faridabad, Haryana	Application for renewal of license under the Factories Act made to the Chief Inspector of Factories, Haryana, on October 22, 2011 Application for renewal of consent under the Air Act, Water Act and Hazardous Wastes Rules made to the Haryana Pollution Control Board on March 1, 2012
KIML	Padappai main road, Kancheepuram district, Tamil Nadu	Application for renewal of consent under the Air Act and Water Act made to the Tamil Nadu Pollution Control Board on February 15, 2012
	Oragadam, Kancheepuram district, Tamil Nadu	Application for renewal of consent under the Air Act and Water Act made to the Tamil Nadu Pollution Control Board on February 15, 2012

Approvals in relation to intellectual property

Our Company has made trademark applications dated September 23, 2011 with the Registrar of Trademarks, Delhi for the registration of the following trademarks:

1. Registration of the word "SMFL";
2. Registration of the word "Samvardhana Motherson"; and
3. Registration of the logo" ".

Our Company has made trademark applications dated October 24, 2011 with the Registrar of Trademarks, Delhi for the registration of the following trademark:

1. Registration of the logo " ".

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board of Directors has, pursuant to a resolution dated September 14, 2011 authorised the Issue subject to the approval by the shareholders of our Company under Section 81(1A) of the Companies Act and such other authorities as may be necessary. Further, the IPO Committee has passed a resolution dated April 12, 2012 in relation to the Issue.

The shareholders of our Company have authorised the Issue pursuant to a special resolution dated September 24**,** 2011 under Section 81(1A) of the Companies Act.

The Selling Shareholder has, pursuant to resolutions of its board of directors dated September 21, 2011 and April 12, 2012, authorised the Offer for Sale.

For further details of regulatory approvals for this Issue, see the section titled "Government and other Approvals- Issue-related approvals" on page 503.

Prohibition by SEBI

Our Company, the Promoters, Directors, Promoter Group entities and Group Companies have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other authorities.

The companies, with which the Promoters, Directors or persons in control of our Company were or are associated as promoters, directors or persons in control have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI.

None of the Directors are associated with the securities market in any manner.

Prohibition by RBI

Neither our Company nor the Promoters, the relatives of the Promoter ("relatives" as defined under the Companies Act) or the Group Companies have been identified as wilful defaulters by the RBI or any other governmental authority.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 26(1) of the SEBI Regulations as explained under the eligibility criteria calculated in accordance with standalone and consolidated financial statements under Indian GAAP:

- Our Company has net tangible assets of atleast ₹ 30 million in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;

- Our Company has a track record of distributable profits in accordance with Section 205 of the Companies Act, for at least three out of immediately preceding five years both on a standalone and consolidated basis

- Our Company has a net worth of atleast ₹ 10 million in each of the three preceding full years (of 12 months each);

- Our Company has net profits on a consolidated basis in atleast one year for which consolidated accounts are prepared

- The aggregate of the proposed Issue and all previous issues made in the same financial years in terms of the

issue size is not expected to exceed five times the pre-Issue net worth of our Company; and

- Our Company has not changed its name within the last one year

Our Company's net profit, dividend, net worth, net tangible assets and monetary assets derived from the financial information included in this Red Herring Prospectus as at, and for the last five years ended Fiscal 2011 are set forth below:

Activity Expense	For the nine month interim period ended December 31st 2011	Fiscal 2011	Fiscal 2010	Fiscal 2009	Fiscal 2008	Fiscal 2007*
Distributable Profits as Restated (1) – Standalone financials	246.1	131.1	64.1	99.0	36.5	(1.8)
Distributable Profits as Restated (1) – Consolidated financials	(1,177.0)	1,372.6	853.4	451.1	321.8	40.1
Net Profits – Consolidated financials	(1,278.2)	1,686.4	757.0	686.9	312.3	45.5
Net Worth- Standalone financials (2)	10,921.6	10,459.0	10,327.9	8,879.6	5,438.5	5,402.0
Net Tangible Assets- Standalone financials (3)	10,921.6	10,459.0	10,327.9	8,879.6	5,438.5	5,402.0
Monetary Assets- Standalone financials (4)	20.9	174.1	14.6	194.8	11.0	46.0
Monetary Assets as a percentage of the net tangible assets	0.2%	1.7%	0.1%	2.2%	0.2%	0.9%

* Seventeen months period ended March 31, 2007 (for standalone profit and loss statement only).

1. "*Distributable profits" have been defined in terms of Section 205 of the Companies Act.*
2. *"Net worth" has been defined as the aggregate of equity share capital and reserves, excluding preference share redemption reserve and miscellaneous expenditures, if any.*
3. *"Net tangible assets" means the sum of all net assets of the Company excluding intangible assets as defined in Accounting Standard 26 notified by the Government of India under Companies (Accounting Standards) Rules, 2006.*
4. *"Monetary Assets" comprise cash and bank balances and public deposit accounts with the Government.*

Hence, our Company is eligible for the Issue under Regulation 26(1) of the SEBI Regulations. Our Company is also complying with Regulation 43(2) of the SEBI Regulations and Non-Institutional Bidders and Retail Individual Bidders will be allocated not less than 15% and 35% of the Net Issue respectively. Further, our Company shall ensure that no Allotment shall be made if the number of prospective allottees pursuant to the Issue is less than 1,000.

Disclaimer clause of the SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY

ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 28, 2011 WHICH READS AS FOLLOWS:

WE, THE LEAD MERCHANT BANKER(S) TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**

   (A) **THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**

   (B) **ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

   (C) **THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA AND THAT TILL DATE SUCH REGISTRATION IS VALID. – NOTED FOR COMPLIANCE***

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. – NOTED FOR COMPLIANCE**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION**

SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.

6. **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTER CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SECURITIES AND EXCHANGE BOARD OF INDIA. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. NOT APPLICABLE.**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. NOTED FOR COMPLIANCE.**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. NOT APPLICABLE.**

    AS THE OFFER SIZE IS MORE THAN 100 MILLION, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY.

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT**

RED HERRING PROSPECTUS:

(A) **AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER; AND**

(B) **AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA FROM TIME TO TIME.**

13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE. – NOTED FOR COMPLIANCE

14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER'S EXPERIENCE, ETC.

15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY THE BOARD THROUGH CIRCULAR.

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[*] *The SEBI registration of J.P. Morgan India Private Limited was valid up to October 31, 2011. An application for grant of certificate of permanent registration in the prescribed manner has been made by J.P. Morgan India Private Limited on July 29, 2011, to SEBI, three months before the expiry of the period of the certificate as required under Regulation 8A(1) of the SEBI Merchant Bankers Regulations. The approval from SEBI is currently awaited.*

The filing of the Red Herring Prospectus does not, however, absolve our Company from any liabilities under Section 63 or Section 68 of the Companies Act or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed issue. SEBI further reserves the right to take up at any point of time, with the Book Running Lead Managers, any irregularities or lapses in the Red Herring Prospectus.

Disclaimer clause of the BSE

BSE Limited ("The Exchange") has given vide its letter dated November 4, 2011, permission to the Company to use the Exchange's name in this Red Herring Prospectus in respect of its proposed public issue of equity shares as one of the stock exchanges on which the Company's securities are proposed to be listed. The Exchange has scrutinised the Draft red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. The Exchange does not in any manner:

a) warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; or
b) warrant that the Company's securities will be listed or will continue to be listed on the Exchange; or
c) take any responsibility for the financial or other soundness of the Company, its promoters, its management or any scheme or project of the Company;

and it should not for any reason be deemed or construed that this Red Herring Prospectus has been cleared or

approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of the Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange 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.

Disclaimer clause of the NSE

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter ref.: NSE/LIST/148218-T dated October 24, 2011 permission to the Issuer to use NSE's name in this Red Herring Prospectus as one of the stock exchanges on which the Issuer's securities are proposed to be listed. The NSE has scrutinised the Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that this Red herring Prospectus has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that the Issuer's securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of the Issuer, its promoters, its management or any scheme or project of the Issuer.

Every person who desires to apply for or otherwise acquire any securities of the Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the NSE 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 any other reason whatsoever.

Price information of past issues handled by Standard Chartered and J.P. Morgan

1. Price information of past issues handled by Standard Chartered

Sr No	Issue Name	Issue Size ₹ (Cr.)	Issue price (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar days from listing day (Closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar days from listing day (Closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar days from listing day (Closing)
1	Standard Chartered PLC	2,486.35	104.00	11-Jun-10	105.00	103.05	-0.91%	17,064.95	108.75	17,876.55	104.05	17,509.33	108.25	17,937.20

2. Summary statement of price information of past issues handled by Standard Chartered

Financial Year	Total no. of IPOs	Total Funds Raised (₹ Cr.)	Nos. of IPOs trading at discount on listing date			Nos. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30th calendar day from listing day			Nos. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2010-2011	1	2486.35	0	0	1	0	0	0	0	0	0	0	0	1
2011-2012	0	0	0	0	0	0	0	0	0	0	0	0	0	0

3. Price information of past issues handled by J.P. Morgan

Sr. No.	Issue Name	Issue size ₹ (Cr.)	Issue price (₹)	Listing date	Opening price on listing date	Closing price on listing date	% change in price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar days from listing day (Closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar days from listing day (Closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar days from listing day (Closing)
1	JSW Energy Ltd	2,700.00	100.00[4]	4-Jan-10	102.00	100.75	0.75%	17,558.73	117.60	17,509.80	111.50	16,859.68	105.35	16,163.44
2	Persistent Systems Limited	168.01	310.00	6-Apr-10	400.00	408.00	31.61%	17,941.37	398.05	17,639.26	397.30	17,694.20	396.40	17,087.96
3	Oberoi Realty Ltd	1,028.61	260.00	20-Oct-10	280.00	282.95	8.83%	19,872.15	277.15	20,032.34	290.25	20,852.38	264.80	19,930.64
4	Prestige Estates Projects Limited	1,200.00	183.00	27-Oct-10	190.00	192.55	5.22%	20,005.37	205.95	21,004.96	197.35	20,309.69	162.20	19,318.16
5	MOIL Limited	1,237.51	375.00[5]	15-Dec-10	551.00	466.50	24.40%	19,647.77	448.75	20,073.66	453.65	20,561.05	442.50	19,182.82

Source: All share price data is from "www.bseindia.com".

Notes:

1. The BSE Sensex is considered as the Benchmark Index.
2. Price on BSE is considered for all of the above calculations
3. In case 10th/20th/30th day is not a trading day, closing price on BSE of the previous trading day has been considered
4. Discount of ₹ 5 per equity share offered to retail investors and Premium of ₹ 10 per equity share to Anchor investors. All calculations are based on Issue Price of 100.00 per equity share
5. 5% discount to Offer Price offered to the Retail Individual Bidders & Eligible Employees. All calculations are based on Issue Price of 375.00 per equity share
6. 10th calendar day has been taken as listing date plus 9 calendar days; 20th calendar day has been taken as listing date plus 19 calendar days; 30th calendar day has been taken as listing date plus 29 calendar days

4. Summary statement of price information of past issues handled by J.P. Morgan

Financial year	Total No. of IPOs	Total funds raised (₹ Cr.)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2009-2010	1	2700.00	0	0	0	0	0	1	0	0	0	0	0	1
2010-2011	4	3634.13	0	0	0	0	1	3	0	0	1	0	1	2
2011-2012	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Track record of past issues handled by the BRLMs

The track record of past issues handled by Standard Chartered and J.P. Morgan are available at http://www.standardcharteredsecurities.co.in/OfferDocuments/tabid/87/Default.aspx and http://www.jpmipl.com/indiaipo/dtr.html, respectively.

Disclaimer from our Company, the Directors, the Selling Shareholders and the Book Running Lead Managers

Our Company, the Directors and the Book Running Lead Managers accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our Company's website www.smfl.in, or the website of the Subsidiaries, Joint ventures and Other Consolidated Entities, would be doing so at his or her own risk.

The Selling Shareholder accepts no responsibility for any statement made, other than statements and undertakings made by the Selling Shareholder in this Red Herring Prospectus about or in relation to itself and the Equity Shares being sold by it in the Offer for Sale.

Caution

Our Company, the Directors, the Selling Shareholder and the members of the Syndicate are not liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholder and 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 Equity Shares of our Company.

The Book Running Lead Managers and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, Subsidiaries, Joint Ventures and Other Consolidated Entities, for which they have received, and may in future receive, compensation.

Disclaimer in respect of jurisdiction

This Issue is being made in India to persons resident in India and eligible foreign investors as described in the section titled "Issue Procedure- Who can Bid" on page 527. This Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in New Delhi, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus was filed with SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. 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 or to, or for the account or benefit of, U.S. persons (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 Company has not registered and does not intend to register under the U.S. Investment Company Act in reliance upon section 3(c)(7) thereof. Accordingly, the Equity Shares are being offered and sold (i) in the United States only to U.S. persons that are "qualified institutional buyers" (as defined in Rule 144A) and referred to in this Red Herring Prospectus as "U.S. QIBs" (which, for the avoidance of doubt, does not refer to a category of institutional investors defined under

applicable Indian regulations and referred to in this Red Herring Prospectus as "QIBs") that are also "qualified purchasers" (QPs) (as defined in section 2(a)(51) of the U.S. Investment Company Act and the rules and regulations thereunder) acting for its own account or for the account of another U.S. QIB that is a QP (and meets the other requirements set forth herein), in reliance on the exemption from registration under the Securities Act provided by Rule 144A or other available exemption and in reliance upon section 3(c)(7) of the U.S. Investment Company Act and (ii) outside the United States to non-U.S. persons in reliance on Regulation S.

Filing

A copy of the Draft Red Herring Prospectus was filed with SEBI at Corporation Finance Department, Plot No.C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

A copy of this Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration with the RoC at the following address of the RoC:

Registrar of Companies
National Capital Territory of Delhi and Haryana
4th Floor, IFCI Tower,
61, Nehru Place,
New Delhi 110 019
India

Listing

Applications have been made to the BSE and NSE for permission to deal in and for an official quotation of the Equity Shares. NSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permission to list and trade the Equity Shares has not been granted by the Stock Exchanges, our Company and the Selling Shareholders shall forthwith repay without interest the entire Bid Amounts received from the Bidders in pursuance of the Red Herring Prospectus. If any such money is not repaid within eight days after our Company becomes liable to repay it, our Company, the Selling Shareholder and every Director who is an officer in default shall, on and from the expiry of the eighth day, be jointly and severally liable to repay that money with interest at 15% per annum, as prescribed under section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 12 Working Days of the Bid Closing Date.

Consents

Consents in writing of: (a) the Directors, our Company Secretary and Compliance Officer, the Auditors, Bankers to our Company and Bankers to the Issue; (b) the lenders of our Company; (c) the IPO Grading Agency and Monitoring Agency; and (d) the Book Running Lead Managers, Escrow Collection Banks, Registrar to the Issue, the domestic and international legal counsel to our Company and domestic legal counsel to the Book Running Lead Managers, to act in their respective capacities, will be obtained and will be filed along with a copy of this Red Herring Prospectus with the RoC, as required under Sections 60 and 60B of the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

Experts to the Issue

Except for the report of the Auditors dated April 20, 2012 on the restated standlone financial information, restated consolidated financial information and unaudited pro forma financial information, the report provided by the Auditors on statement of tax benefits dated April 20, 2012, the report of OWT✓ Oberrheinische Wirtschaftstreuhand GmbH dated January 24, 2012 on financial information of relevant entities in relation to acquisition of Peguform

companies, and the report of ICRA Limited in respect of the IPO grading of this Issue annexed to the Red Herring Prospectus, our Company has not obtained any expert opinions. The Auditors are not "experts" as defined under the Securities Act.

The Auditors, IPO Grading Agency and OWT✓ Oberrheinische Wirtschaftstreuhand GmbH have given their written consent as experts to the inclusion of their report in the form and context in which it is included in the Red Herring Prospectus and such consents and reports will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus for registration with the RoC. A written consent under the Companies Act and the SEBI Regulations is different from a consent filed with the U.S. Securities and Exchange Commission under Section 7 of the Securities Act. As the Equity Shares have not been and will not be registered under the Securities Act, the Auditors have not filed a consent under Section 7 of the Securities Act.

Expenses of the Issue

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, Registrar and depository fees, SCSB commission, statutory advertisement expenses and listing fees. For further details of Issue related expenses, please see "Objects of the Issue" on page 99.

Fees payable to the Book Running Lead Managers

The total fees payable to the Book Running Lead Managers (including underwriting and selling commissions), and reimbursement of their out of pocket expenses, will be as stated in the engagement letter with the Book Running Lead managers dated September 28, 2011, issued by our Company and the Selling Shareholder and the Syndicate Agreement to be entered into among the Company, the Selling Shareholder and the members of the Syndicate.

Fees payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue including fees for processing of Bid cum Application Forms, data entry, printing of Allotment Advice, refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the agreement dated March 29, 2012, among our Company, the Selling Shareholder and the Registrar to the Issue.

Underwriting commission, brokerage and selling commission on previous issues

Since this is the initial public offer of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

Particulars regarding public or rights issue during the last five years

Our Company has not made any public or rights issue during the last five years.

Previous capital issue during the previous three years by listed Subsidiaries, Group Companies and associates of our Company

Apart from Motherson Sumi Systems Limited, which is a Joint Venture and a Group Company, none of the Subsidiaries, Group Companies and associates of our Company are listed on any of the stock exchanges in India or abroad. Motherson Sumi Systems Limited has not made a capital issue in the previous three years in the form of a public, rights or a composite issue.

Performance vis-à-vis objects – Public/ rights issue of our Company and/ or listed Subsidiaries, Group Companies and associates of our Company

Our Company has not undertaken any previous public or rights issue.

Apart from Motherson Sumi Systems Limited, which is a Joint Venture and a Group Company, none of the

Subsidiaries, Group Companies and associates of our Company are listed on any of the stock exchanges in India or abroad. Motherson Sumi Systems Limited has not made a capital issue in the previous three years in the form of a public, rights or a composite issue.

Previous issues of shares otherwise than for cash

Except as stated in the section "Capital Structure" on page 85, our Company has not issued Equity Shares for consideration otherwise than for cash.

Outstanding debentures or bonds

Our Company does not have any outstanding debentures or bonds as of the date of this Red Herring Prospectus.

Outstanding preference shares

Our Company does not have any outstanding preference shares as of the date of filing this Red Herring Prospectus.

Stock market data for the Equity Shares of our Company

This being an initial public offering of our Company, the Equity Shares of our Company are not listed on any stock exchange.

Mechanism for redressal of investor grievances

The agreement between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a minimum period of three years to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, application number, address of the applicant, number of Equity Shares applied for, amount paid on application, Depository Participant and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB, giving full details such as name, address of applicant, application number, number of Equity Shares applied for, amount paid on application and designated branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidders.

The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Book Running Lead Managers and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI Regulations.

Disposal of investor grievances

Our Company estimates that the average time required by our Company, or the Registrar to the Issue or the SCSBs in case of ASBA Bidders for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted a share transfer and investors' grievance committee, for details of which, see the section titled "Our Management- Share Transfer and Investor Grievance Committee" on page 223.

Our Company has also appointed Pooja Mehra, the company secretary of our Company as the compliance officer for this Issue and she may be contacted in case of any pre-Issue or post-Issue related problems, at the following address:

C-1, A&B

Sector 1, Noida
Gautam Budh Nagar
Uttar Pradesh 201 301, India
Telephone: +91 120 6752 293
Facsimile: +91 120 2445 160
E-mail: compliance@smfl.in

No investor complaint has been received by our Company during the three years preceding the filing of the Red Herring Prospectus.

Changes in auditors in the last three years

The following are the details of the changes in auditors in the last three years:

S. No	Name of Auditor	Date of Appointment	Reason for change
1.	Price Waterhouse, Chartered Accountants (Firm Registration No- 012754N)	September 30, 2010	Retirement of Price Waterhouse., Chartered Accountants (Firm Registration No- 007568S)

Capitalisation of reserves or profits

Our Company, on a standalone basis, has not capitalised its reserves or profits during the last five years.

Revaluation of Assets

Our Company, on a standalone basis, has not revalued its assets in the last five years.

SECTION VII – ISSUE INFORMATION

TERMS OF THE ISSUE

The Issue shall be subject to the provisions of the Companies Act, the SCRA, the SCRR, the Memorandum and the Articles, the terms of this Red Herring Prospectus and the Prospectus, Bid cum Application Form, the Revision Form, the CAN and other terms and conditions as may be incorporated in the Allotment Advice and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, Stock Exchanges, RoC, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Memorandum and the Articles and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividend and voting rights. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends, if any, declared by our Company after the date of Allotment. For further details, please see "Main Provisions of the Articles of Association" on page 563.

Offer for sale

The Issue includes an offer for sale by the Selling Shareholder. For further details in relation to the Issue expenses including the Offer for Sale see "Objects of the Issue –Issue related expenses" on page 114.

Mode of payment of dividend

Our Company shall pay dividends to the shareholders in accordance with the provisions of the Companies Act and rules made thereunder, our Articles and the provisions of the Listing Agreement.

Face value and Issue Price

The face value of the Equity Shares is ₹ 10 each and the Issue Price is ₹ [●] per Equity Share. The Anchor Investor Issue Price is ₹ [●] per Equity Share. The Floor Price is of the Equity Share is ₹ [●] and the Cap Price is ₹ [●] per Equity Share. At any given point of time there shall be only one denomination for the Equity Shares.

The Price Band will be decided by our Company and the Selling Shareholder in consultation with the Book Running Lead Managers and the minimum Bid lot size for the Issue will be decided by our Company in consultation with the Book Running Lead Managers. These will be published by our Company at least two Working Days prior to the Bid Opening Date, in all editions of Financial Express (a widely circulated English national daily newspaper) and all editions of Jansatta (a widely circulated Hindi national daily newspaper).

Compliance with SEBI Regulations

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the equity shareholder

Subject to applicable laws, the equity shareholders shall, among other things, have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;

- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and preferential claims being satisfied;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreement executed with the Stock Exchanges and the Memorandum and Articles.

For a detailed description of the main provisions of the Articles relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please see "Main Provisions of the Articles of Association" on page 563.

Market lot and trading lot

The Equity Shares shall be Allotted only in dematerialised form and trading shall only be in dematerialised form. Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in New Delhi, India.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the Bidder may nominate any one person in whom, in the event of the death of the Bidder, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder, shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office or to the Registrar.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee shall, upon the production of such evidence as may be required by the Board of Directors, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board of Directors may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board of Directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If our Company does not receive the minimum subscription of ninety per cent of the Fresh Issue through the Red Herring Prospectus, including devolvement to the Underwriters within 60 days from the Bid Closing Date, our Company shall forthwith refund the entire subscription amount received not later than 70 days from the Bid Closing Date. If there is delay beyond eight days after the completion of the 70 days from the Bid Closing Date, our Company will pay interest at 15% per annum on such money.

The requirement for 90% minimum subscription is not applicable to the Offer for Sale. In case of under subscription in the Issue, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

Further, we shall ensure that the number of prospective Allotees to whom Equity Shares will be Allotted shall not be less than 1,000.

Arrangement for disposal of odd lots

There are no arrangements for disposal of odd lots.

Restriction on transfer of shares

Except for lock-in of the pre-Issue Equity Shares, Promoter's minimum contribution and Anchor Investor lock-in in the Issue as detailed in "Capital Structure" on page 85, and except as provided in the Articles, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfers of debentures except as provided in the Articles. There are no restrictions on transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles. Please see "Main Provisions of the Articles of Association" on page 563.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction.

ISSUE STRUCTURE

This public issue of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share including a share premium of ₹ [●] per Equity Share, aggregating ₹ 16,650 million*, comprising a Fresh Issue of [●] Equity Shares by our Company aggregating ₹ 13,440 million* and Offer for Sale of up to [●] Equity Shares by the Selling Shareholders aggregating ₹ 3,210 million*. The Issue includes a reservation of up to 5% of the Issue Size constituting [●] Equity Shares for subscription by the Eligible Shareholders. The Issue and the Net Issue shall constitute approximately [●]% and [●]%, respectively of the fully diluted post-Issue capital of our Company.

* *Subject to such revisions as permissible under the SEBI Regulations*

The Issue is being made through the Book Building Process.

	QIBs[1]	**Non-Institutional Bidders**	**Retail Individual Bidders**	**Eligible Shareholders**
Number of Equity Shares available for allocation[2]	Not more than [●] Equity Shares.	Not less than [●] Equity Shares available for allocation or Net Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than [●] Equity Shares available for allocation or Net Issue less allocation to QIB Bidders and Non-Institutional Bidders.	Up to [●] Equity Shares.
Percentage of Issue Size available for allocation	Not more than 50% of the Net Issue. However, up to 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation proportionately to Mutual Funds only.	Not less than 15% of Net Issue or the Net Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 35% of the Net Issue or the Net Issue less allocation to QIB Bidders and Non-Institutional Bidders.	Up to 5% of the Issue size.
Basis of Allotment/allocation if respective category is oversubscribed	Proportionate as follows: (a) [●] Equity Shares shall be allocated on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter.	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares	[●] Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of	Such number of Equity Shares in multiples of	Such number of Equity Shares in	Such number of Equity Shares in

	QIBs[1]	Non-Institutional Bidders	Retail Individual Bidders	Eligible Shareholders
	[●] not exceeding the Net Issue, subject to applicable limits.	[●] not exceeding the Net Issue subject to applicable limits.	multiples of [●] whereby the Bid Amount does not exceed ₹ 200,000.	multiples of [●] whereby the Bid Amount does not exceed ₹ 200,000.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter.
Trading Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Share
Who can Apply[3]	Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual fund registered with SEBI, FII and Sub-Account registered with SEBI, other than a Sub-Account which is a foreign corporate or foreign individual, venture capital fund registered with SEBI, state industrial development corporation, insurance company registered with IRDA, provident fund with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million and National Investment Fund set up by Government of India and insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India	Resident Indian individuals, HUF (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, Sub-Accounts which are foreign corporates or foreign individuals.	Resident Indian individuals and HUFs (in the name of the Karta)	Eligible Shareholders
Terms of Payment	Full Bid Amount shall be payable at the time of submission of Bid cum Application Form.[4]	Full Bid Amount shall be payable at the time of submission of Bid cum Application Form.[4]	Full Bid Amount shall be payable at the time of submission of Bid cum Application Form.[4]	Full Bid Amount shall be payable at the time of submission of Bid cum Application Form.[4]

[1] Our Company may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. For further details, please see "Issue Procedure" on page 525.

[2] Subject to valid Bids being received at or above the Issue Price, in accordance with Rule 19(2)(b) of the SCRR, the Issue is being made through the Book Building Process wherein not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs. Out of the QIB Portion (excluding the Anchor Investor Portion), 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. Further, not less than 15% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

In the event of under-subscription in the Shareholder Reservation Portion, the unsubscribed portion shall be added to the Net Issue. In the event of under-subscription in the Net Issue, spill-over to the extent of under-subscription shall be permitted from the Shareholder Reservation Portion to the Net Issue, subject to the Net Issue constituting 10% of the post Issue capital of our Company. In the event of under-subscription in any of the categories in the Net Issue, the unsubscribed portion would be allowed to be met with spill over from over-subscription from any other category or a combination of categories at the sole discretion of the Company, in consultation with the Book Running Lead Managers.

[3] If the beneficiary account is held in joint names, the Bid cum Application Form should contain the name and PAN of the person whose name appears first in the beneficiary account and signature of only this person would be required in the Bid cum Application Form. This Bidder would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Bid cum Application Form.

Non-residents, other than FIIs investing under the 'Portfolio Investment Scheme' as per Schedule 2 to FEMA Regulations read with the Foreign Investment Master Circular, are not permitted to apply in the Issue.

[4] In case of ASBA Bids, the SCSBs shall be authorised to block such funds in the bank account of the Bidders that are specified in the Bid cum Application Forms.

Eligible Shareholders Bidding at a price within the Price Band have to make payment based on their highest Bid price option.

Withdrawal of the Issue

In accordance with the SEBI Regulations, our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, reserves the right not to proceed with the Issue at anytime including after the Bid Opening Date, without assigning the reasons thereof. Provided, if our Company and the Selling Shareholder withdraw the Issue after the Bid Closing Date, our Company and the Selling Shareholder will give the reason thereof within two days of the Bid Closing Date by way of a public notice in the same newspapers where the pre-Issue advertisement had appeared. The Stock Exchanges shall also be informed promptly and the Book Running Lead managers, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts specified by the ASBA Bidders within one day from the date of receipt of such notification.

In the event our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, withdraw the Issue after the Bid Closing Date, a fresh offer document will be filed with the RoC/SEBI in the event we subsequently decide to proceed with the Issue.

Notwithstanding the foregoing, the Issue is subject to obtaining the final trading approvals of the Stock Exchanges

with respect to the Equity Shares issued in the issue, which our Company will apply for only after Allotment and dispatch of refunds within 12 Working Days of the Bid Closing Date.

Bid/ Issue Programme

BID/ISSUE PROGRAMME*	
BID OPENING DATE: WEDNESDAY, MAY 2, 2012	**BID CLOSING DATE: FRIDAY, MAY 4, 2012**

* *Our Company may consider participation by Anchor Investors. The Anchor Investors shall Bid during the Anchor Investor Bidding Period, i.e., one Working Day prior to the Bid Opening Date.*

Bids and any revision in Bids will be accepted **only between 10 a.m. and 5.00 p.m. (Indian Standard Time)** during the Bidding Period as mentioned above at the bidding centers mentioned in the Bid cum Application Form, the Designated Branches and the bidding centers of the members of the Syndicate at the Syndicate ASBA Bidding Locations, except that on the Bid Closing Date, Bids will be accepted **only between 10 a.m. and 3.00 p.m. (Indian Standard Time)** and uploaded until (i) 4.00 p.m in case of Bids by QIBs, Non Institutional Bidders and Eligible Shareholders bidding under the Shareholder Reservation Portion, and (ii) 5.00 p.m in case of Retail Individual Bidders, which may be extended up to such time as deemed fit by the Stock Exchanges.

Due to limitation of time available for uploading the Bids on the Bid Closing Date, Bidders are advised to submit their Bids one day prior to the Bid Closing Date and, no later than 3.00 p.m (Indian Standard Time) on the Bid Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will only be accepted on Working Days.

On the Bid Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received from Retail Individual Bidders and Eligible Shareholders bidding under the Shareholder Reservation Portion, after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid cum Application Forms and reported by the Book Running Lead Managers to the Stock Exchanges within half an hour of such closure.

Our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, reserve the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed at least two Working Days prior to the Bid Opening Date and the Cap Price will be revised accordingly.

In case of revision of the Price Band, the Bidding Period will be extended for atleast three additional Working Days after revision of Price Band subject to the Bidding Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the changes on the websites of the Book Running Lead Managers.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the physical Bid cum Application Form of the Bidder may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book *vis- à -vis* the data contained in the physical or electronic Bid cum Application Form for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSB for rectified data.

ISSUE PROCEDURE

This section applies to all Bidders. Please note that QIBs (excluding those Bidding under the Anchor Investor Portion) and Non-Institutional Bidders are mandatorily required to submit their Bids by way of ASBA. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to Bidders other than the ASBA Bidders. ***However, there is a single Bid cum Application Form for ASBA Bidders (submitted to the SCSBs or through Syndicate ASBA) as well as non-ASBA Bidders.*** *Please note that all Bidders are required to make payment of the full Bid Amount or ensure that the ASBA Account has sufficient credit balance such that the entire Bid Amount can be blocked by the SCSB.*

Bidders are advised to make their independent investigations and ensure that their Bids do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Red Herring Prospectus.

Book Building Procedure

This Issue is being made through the Book Building Process wherein not more than 50% of the Net Issue shall be available for allocation to QIBs on a proportionate basis. Provided that our Company may allocate up to 30% of the QIB Portion to Anchor Investors at Anchor Investor Allocation Price on a discretionary basis out of which one-third shall be reserved for domestic Mutual Funds only. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

In the event of under-subscription in the Shareholder Reservation Portion, the unsubscribed portion shall be added to the Net Issue. In the event of under-subscription in the Net Issue, spill-over to the extent of under-subscription shall be permitted from the Shareholder Reservation Portion to the Net Issue, subject to the Net Issue constituting 10% of the post Issue capital of our Company. In the event of under-subscription in any of the categories in the Net Issue, the unsubscribed portion would be allowed to be met with spill over from over-subscription from any other category or a combination of categories at the sole discretion of the Company, in consultation with the Book Running Lead Managers.

Our Company will comply with the SEBI Regulations and any other ancillary directions issued by SEBI for this Issue. The Selling Shareholder undertakes that it will comply with the SEBI Regulations and any other directions issued by SEBI, as applicable to such Selling Shareholder in relation to the Equity Shares offered under the Offer for Sale.

In case of QIBs, other than Anchor Investors, Bidding through the Syndicate ASBA, the Book Running Lead Managers and their affiliate members of the Syndicate, may reject Bids at the time of acceptance of the Bid cum Application Form provided that the reasons for such rejection shall be disclosed to such Bidder in writing. Further, Bids from QIBs can also be rejected on technical grounds. In case of Non-Institutional Bidders, Retail Individual Bidders and Eligible Shareholders Bidding in the Shareholder Reservation Portion, our Company has a right to reject Bids based on technical grounds only.

Bidders can Bid at any price within the Price Band. The Price Band for the Issue will be decided by our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, and the Bid Lot will be decided by our Company, in consultation with the Book Running Lead Managers, and advertised in all editions of Financial Express (a widely circulated English national daily newspaper) and all editions of Jansatta (a widely circulated Hindi national daily newspaper) at least two Working Days prior to the Bid Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. Bid cum Application Forms which do not have the details of the Bidder's depository accounts including DP ID, PAN and Client ID will be treated as incomplete and rejected. Bidders will not have the option of receiving Allotment in physical form.

Bidders are required to ensure that the PAN provided in the Bid cum Application Form is exactly the same as the PAN of the person in whose name the relevant beneficiary account is held. If the beneficiary account is held in joint names, the Bid cum Application Form should contain the name and PAN of the person whose name appears first in the beneficiary account and signature of only this person would be required in the Bid cum Application Form. This Bidder would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Bid cum Application Form.

Bid cum Application Form

Please note that there is a single Bid cum Application Form for ASBA Bidders (submitted to the SCSBs or through Syndicate ASBA) as well as non-ASBA Bidders.

Copies of the Bid cum Application Form will be available for all categories of Bidders, other than Anchor Investors, with the members of the Syndicate, the Designated Branches, and at our Registered Office and our Corporate Office. Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLMs. Copies of the electronic Bid cum Application Forms will be available on the websites of the SCSBs and of the Stock Exchanges at least one day prior to the Bid Opening Date. Copies of the Red Herring Prospectus shall, on a request being made by any Bidder before the Bid Closing Date, be furnished to such Bidder at our Registered Office, our Corporate Office and the Designated Branches.

For non ASBA Bidders

Bidders shall only use the specified Bid cum Application Form, which shall be serially numbered, bearing the stamp of a member of the Syndicate. The Bid cum Application Form shall contain, among other things, information about the Bidders, the price and the number of Equity Shares Bid for. Bidders shall have the option to make a maximum of three Bids (in terms of number of Equity Shares and respective Bid Amount) in the Bid cum Application Form and such options shall not be considered as multiple Bids. The collection centre of the Syndicate will, after the Bid has been uploaded, acknowledge the uploading of the Bid cum Application Form or Revision Form by stamping the acknowledgment slip with the date and time and returning it to the Bidder. This acknowledgment slip shall serve as the duplicate of the Bid cum Application Form for the records of the Bidder and the Bidder shall preserve this and should provide the same for any queries relating to non-Allotment of Equity Shares in the Issue.

Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the Bidder. Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the application form.

For ASBA Bidders

Bidders can also submit their Bids through the ASBA by submitting Bid cum Application Forms, either in physical or electronic mode, to the SCSB with whom the ASBA Account is maintained or through the members of the Syndicate/ sub-Syndicate (ASBA Bids through the members of the Syndicate/ sub-Syndicate shall hereinafter be referred to as the "**Syndicate ASBA**"). **However, ASBA Bids through the Syndicate is permitted only at the Syndicate ASBA Bidding Locations** (**Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Vadodara and Surat**). Kindly note that Bid cum Application Forms submitted by ASBA Bidders to members of the Syndicate at the Syndicate ASBA Bidding Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit the Bid cum Application Form (A list of such branches is available at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1334742780816.html).

ASBA Bidders can submit their Bids, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the Bid cum Application Form, which shall be stamped, at the relevant Designated Branch. Bid cum Application Form in physical mode, which shall be stamped, can also be submitted to be members of the Syndicate at Syndicate ASBA Bidding Locations. In case of application in electronic form, the ASBA Bidder shall submit the Bid cum Application Form either through the internet banking facility available with the SCSBs or such other electronically enabled mechanism for Bidding and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Bids. The SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the Bid cum Application Form. Upon completing and submitting the Bid cum Application Form to the SCSB or to the members of the Syndicate, the ASBA Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form, as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

To supplement the foregoing, the mode and manner of Bidding is illustrated in the following chart.

Category of bidder	Mode of Bidding	To whom the Bid cum Application Form has to be submitted
Retail Individual Bidders and Eligible Shareholders Bidding in the Shareholder Reservation Portion	Either (i) ASBA or (ii) non-ASBA	In case of ASBA Bidder: (i) If using physical Bid cum Application Form: (a) to the members of the Syndicate only at Syndicate ASBA Bidding Locations; **or** (b) to the Designated Branches of the SCSBs where the SCSB account is maintained; **or** (ii) If using electronic Bid cum Application Form, to the SCSBs, electronically through internet banking facility, where the SCSB account is maintained. In case of non-ASBA Bidder, to the members of the Syndicate at the Bidding Centres as stated in the Bid cum Application Form.
Non-Institutional Bidders and QIBs (excluding Anchor Investors)	ASBA (*Kindly note that ASBA is mandatory and no other mode of Bidding is permitted*)	(i) If using physical Bid cum Application Form: (a) to the members of the Syndicate only at Syndicate ASBA Bidding Locations; **or** (b) to the Designated Branches of the SCSBs where the SCSB account is maintained; **or** (ii) If using electronic Bid cum Application Form, to the SCSBs, electronically through internet banking facility, where the SCSB account is maintained.
Anchor Investors	Non- ASBA	To the BRLMs.

The prescribed colour of the Bid cum Application Form for the Bidders is as follows:

Category	Colour of Bid cum Application Form
Resident Indian (ASBA as well as non-ASBA Bidders)	White
FIIs (through ASBA only)	Blue
Eligible Shareholders	Pink

Who can Bid?

- Indian nationals resident in India, who are competent to contract under the Indian Contract Act, 1872. Furthermore, based on the information provided by the Depositories, the Company shall have the right to accept Bids belonging to an account for the benefit of a minor (under guardianship);

- HUFs, in the individual name of the *Karta*. Such Bidders should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs will be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorized to invest in equity shares under their respective constitutional or charter documents;
- Mutual Funds registered with SEBI;
- Indian financial institutions, commercial banks (excluding foreign banks), regional rural banks, cooperative banks (subject to RBI regulations and the SEBI Regulations and other applicable law);
- FIIs and Sub-Accounts of FIIs registered with SEBI, other than a Sub-Account which is a foreign corporate or foreign individual, Bidding in the QIB Portion;
- Sub-Accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals, Bidding in the Non-Institutional Portion;
- VCFs in accordance with applicable law;
- State industrial development corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorized under their respective constitutional or charter documents to hold and invest in equity shares;
- Scientific and/or industrial research organizations in India, which are authorized to invest in equity shares;
- Insurance companies registered with the IRDA;
- Insurance funds set up and managed by the Department of Posts, India;
- Provident funds with a minimum corpus of ₹ 250 million and who are authorized under their constitutional documents to hold and invest in equity shares;
- Pension funds with a minimum corpus of ₹ 250 million and who are authorized under their constitutional documents to hold and invest in equity shares;
- NIF;
- Insurance funds set up and managed by the army, navy or air force of the Union of India;
- Limited liability partnerships;
- Eligible Shareholders; and
- Any other person eligible to Bid in this Issue, under the laws, rules, regulations, guidelines and polices applicable to them.

In accordance with the regulations made by the RBI, OCBs cannot Bid in the Issue. Further, QFIs, FVCIs, and multilateral and bilateral financial institutions are not allowed to Bid in the Issue.

Non-residents, other than FIIs investing under the 'Portfolio Investment Scheme' as per Schedule 2 to FEMA Regulations read with the Foreign Investment Master Circular, are not permitted to apply in the Issue.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. 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 or to, or for the account or benefit of, U.S. persons (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 Company has not registered and does not intend to register under the U.S. Investment Company Act in reliance upon section 3(c)(7) thereof. Accordingly, the Equity Shares are being offered and sold (i) in the United States only to U.S. persons that are "qualified institutional buyers" (as defined in Rule 144A) and referred to in this Red Herring Prospectus as "U.S. QIBs" (which, for the avoidance of doubt, does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Red Herring Prospectus as "QIBs") that are also "qualified purchasers" (QPs) (as defined in section 2(a)(51) of the U.S. Investment Company Act and the rules and regulations thereunder) acting for its own account or for the account of another U.S. QIB that is a QP (and meets the other requirements set forth herein), in reliance on the exemption from registration under the Securities Act provided by Rule 144A or other available exemption and in reliance upon section 3(c)(7) of the U.S. Investment Company Act and (ii) outside the United States to non-U.S. persons in reliance on Regulation S.

Anchor Investor Portion

Our Company, in consultation with the Book Running Lead Managers, may consider participation by Anchor Investors in the Issue for up to 30% of the QIB Portion in accordance with the SEBI Regulations. The QIB Portion shall be reduced to the extent of allocation under the Anchor Investor Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are as follows:

(a) Only QIBs as defined in Regulation 2(1) (zd) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XI of the SEBI Regulations are eligible to invest in the Anchor Investor Portion. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares will be added to the Net QIB Portion.

(b) The Anchor Investor Bid must be for a minimum of such number of Equity Shares so that the Anchor Investor Bid Amount is equal to or more than ₹ 100 million and in multiples of [●] Equity Shares thereafter. An Anchor Investor Bid cannot be submitted for more than the Anchor Investor Portion.

(c) [●] Equity Shares out of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds. Bids by various schemes of a Mutual Fund shall be clubbed to calculate the Bid Amount.

(d) The Bidding for Anchor Investors shall open one day before the Bid Opening Date and shall be completed on the same day. Anchor Investor shall Bid on the Anchor Investor Bidding Date. **Anchor Investors are not permitted to Bid in this Issue through the ASBA process.**

(e) Allocation to the Anchor Investors shall be on a discretionary basis and subject to the following:
(i) maximum of two Anchor Investors shall be allocated upto ₹ 100 million;
(ii) minimum of two and maximum of 15 Anchor Investors shall be allocated above ₹ 100 million and upto ₹ 2,500 million, subject to minimum Allotment of ₹ 50 million per Anchor Investor;
(iii) minimum of five and maximum of 25 Anchor Investors shall be allocated above ₹ 2,500 million, subject to minimum Allotment of ₹ 50 million per Anchor Investor;

In addition, Anchor Investors in the United States or which are U.S. Persons are required to be U.S. QIBs that are also QPs, and are required to deliver a representation letter substantially containing the representations, warranties and agreements contained in the Bid cum Application Form and certify that they have read and agreed to these representations, warranties and agreements. Anchor Investors that are not U.S. Persons are required to certify that they have read and agreed to the representations, warranties and agreements contained in the Bid cum Application Form.

Our Company, in consultation with the Book Running Lead Managers, shall finalise allocation to the Anchor Investors on a discretionary basis, subject to compliance with requirements regarding minimum number of allottees.

(f) The number of Equity Shares allocated to the Anchor Investors and the price at which the allocation is made, shall be made available in the public domain by the Book Running Lead Managers before the Bid Opening Date.

(g) Anchor Investors shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid. In case the Issue Price is greater than the price at which allocation is being done to Anchor Investors, the additional amount being the difference shall be paid by the Anchor Investors by the Anchor Investor Pay-in Date. In the event the Issue Price is lower than the price at which allocation is being done to the Anchor Investors, the Allotment to Anchor Investors shall be at the price at which allocation is being done to the Anchor Investors.

(h) Anchor Investors cannot withdraw their Bid after the Anchor Investor Bidding Date.

(i) The Equity Shares allotted in the Anchor Investor Portion shall be locked-in for a period of 30 days from

the date of Allotment.

(j) Bids made by QIBs under both the Anchor Investor Portion and the Net QIB Portion shall not be considered as multiple Bids.

(k) The payment instruments for payment into the Escrow Account should be drawn in favour of:

- In case of Resident Anchor Investors: "Escrow Account SMFL Anchor R"
- In case of Non-Resident Anchor Investor: "Escrow Account SMFL Anchor NR"

Participation by associates and affiliates of the Book Running Lead Managers

The Book Running Lead Managers shall not be allowed to subscribe to this Issue in any manner, except towards fulfilling their underwriting obligations. However, associates and affiliates of the Book Running Lead Managers may subscribe to or purchase Equity Shares in the Net Issue, in the QIB Portion or in Non-Institutional Portion as may be applicable to such Bidders. Such Bidding and subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of Book Running Lead Managers shall be treated equally for the purpose of allocation to be made on a proportionate basis.

The Book Running Lead Managers and any persons related to the Book Running Lead Managers or the Promoters and the Promoter Group cannot apply in the Issue under the Anchor Investor Portion.

Bids by Mutual Funds

As per the SEBI Regulations, at least one third of the Anchor Investor Portion will be available for allocation on a discretionary basis to domestic Mutual Funds and 5% of the Net QIB Portion is reserved for allocation to Mutual Funds on a proportionate basis. An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand from Mutual Funds is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion.

The Bids made by the 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 and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in the equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by FIIs

There is no reservation in the Net Issue for FIIs and they will be treated on the same basis as other categories for the purpose of allocation.

Prospective investors that are in the United States or that are U.S. Persons are required to deliver a representation letter substantially containing the representations, warranties and agreements contained in the Bid cum Application Form, and certify that they have read and agreed to these representations, warranties and agreements.

Prospective investors that are non-U.S. Persons are required to certify that they have read and agreed to the representations, warranties and agreements contained in the Bid cum Application Form.

In the event that the above requirements are not complied with or in the event that the BRLMs in their sole judgment conclude that an investment by the relevant Bidder may result in a violation of applicable foreign or Indian law, the BRLMs are entitled to reject the relevant Bid.

Under the extant law, the total holding by a single FII or a Sub-Account cannot exceed 10% of the post-Issue paid-up equity share capital of our Company and the total holdings of all FIIs and sub-accounts cannot exceed 24% of the post-Issue paid-up equity share capital of our Company. The said 24% limit can be increased up to the applicable sectoral cap by passing a resolution by the Board of Directors followed by passing a special resolution to that effect by the shareholders of our Company. Our Company has not obtained board or shareholders approval to increase the FII limit to more than 24%. Thus as of now, the aggregate FII holding in our Company cannot exceed 24% of the total issued and paid-up equity share capital of our Company.

In terms of Regulation 15A of the FII Regulations, an FII may issue, or otherwise deal in offshore derivative instruments (as defined under the FII Regulations as any instrument, by whatever name called, which is issued overseas by a foreign institutional investor against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. The FII is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the FII Regulations. Associates and affiliates of the Underwriters, including the Book Running Lead Managers that are FIIs, may issue offshore derivative instruments against Equity Shares Allotted to them. Any such offshore derivative instrument does not constitute any obligation or claim on or interest in our Company or the Selling Shareholder.

Bids by VCFs

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 prescribe investment restrictions on VCFs registered with SEBI. Accordingly, the holding in any company by any individual VCF should not exceed 25% of the corpus of the VCF. However, VCFs may invest not over 33.33% of their respective investible funds in various prescribed instruments, including in public offerings.

Further, according to the SEBI Regulations, the shareholding of VCFs held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing the draft red herring prospectus with SEBI.

Bids by Eligible Shareholders

Bids under the Shareholder Reservation Portion by Eligible Shareholders shall be subject to the following:

(a) Only Eligible Shareholders would be eligible to apply in the Issue under the Shareholder Reservation Portion.

(b) The value of the Bid by an Eligible Shareholder in the Shareholder Reservation Portion should not exceed ₹ 200,000.

(c) An Eligible Shareholder who has Bid under the Shareholders Rervation Portion can also make a Bid in the Net Issue. Such Bids shall not be considered as multiple Bids.

(d) Eligible Shareholder should provide the details of the depository accounts including DP ID, Client ID and PAN in the relevant space in the Bid cum Application Form.

(e) Eligible Shareholders who bid for Equity Shares in the Shareholder Reservation Portion may Bid at Cut-Off Price. Eligible Shareholders Bidding in the Shareholder Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price at the time of making a Bid.

(f) If the Eligible Shareholder holds equity shares of MSSL in dematerialized form, the DP ID and Client ID included in the Bid cum Application Form shall be used for determining the eligibility to Bid in the Shareholder Reservation Portion. If the Eligible Shareholder holds equity shares of MSSL in physical form, the PAN details included in the Bid cum Application Form shall be used for determining the eligibility to Bid in the Shareholder Reservation Portion. If the particulars of the Eligible Shareholder do not match the details available in the corresponding records available with the Depositories on the basis indicated above, the Bid by the Eligible Shareholder shall be liable to be rejected.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (the "**IRDA Investment Regulations**"), are broadly set forth below:

(a) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

(b) the entire group of the investee company: the least of 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of ULIPS); and

(c) the industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of ULIPS).

Bids by provident funds/ pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder, the Directors, the officers of our Company and the Book Running Lead managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund, provident funds with minimum corpus of ₹ 250 million and pension funds with a minimum corpus of ₹ 250 million (in each case,

subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable, must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason.

In case of a Bid by way of ASBA pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Bid cum Application Form.

Our Company in its absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney with the Bid cum Application Form, subject to such terms and conditions that our Company, and the Book Running Lead Managers deem fit, without assigning any reasons thereof.

Maximum and Minimum Bid Size

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed ₹ 200,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount after such revision does not exceed ₹ 200,000. In case the Bid Amount is over ₹ 200,000 due to revision of the Bid or revision of the Price Band or on exercise of Bidding at Cut-off Price, the Bid would be considered for allocation under the Non-Institutional Portion only if the Bidding was done through ASBA. The Bidding at Cut-off Price is an option given only to the Retail Individual Bidders and Eligible Shareholders Bidding in the Shareholder Reservation Portion, indicating their agreement to Bid and purchase at the Issue Price. The Issue Price will be determined at the end of the Book Building Process.

(b) **For Non-Institutional Bidders and QIBs:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds ₹ 200,000 and in multiples of [•] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue size. However, the Bid by a QIB should not exceed the investment limits prescribed for them by applicable laws. **A QIB cannot withdraw its Bid after the applicable Bid Closing Date and is required to pay the entire Bid Amount upon submission of the Bid.** The identity of QIBs Bidding in the Net Issue under the QIB Portion shall not be made public during the Issue Period.

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the revised Bid Amount is greater than ₹ 200,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to ₹ 200,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. **Non-Institutional Bidders and QIBs are not allowed to Bid at Cut-Off Price.**

(c) **For Shareholder Reservation Portion**: The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter, so as to ensure that the Bid Amount does not exceed ₹ 200,000. In case of revision of Bids, Eligible Shareholders Bidding in the Shareholder Reservation Portion have to ensure that the Bid Amount does not exceed ₹ 200,000. In case the Bid Amount is over ₹ 200,000, due to, among other things, revision of the Bid or revision of the Price Band or on exercise of bidding at Cut-off Price, the Bid is liable to be rejected. Eligible Shareholders bidding in the Shareholder Reservation Portion have the option to bid at Cut-off Price indicating their agreement to Bid and purchase at the Issue Price. Eligible Shareholders bidding in the Shareholder Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price at the time of making a Bid.

(d) **For Bidders in the Anchor Investor Portion:** The Bid by an Anchor Investor must be for a minimum of such number of Equity Shares such that the Bid Amount is equal to or more than ₹ 100 million. Bids by Anchor Investors under the Anchor Investor Portion and the Net QIB Portion shall not be considered as multiple Bids. Under the Anchor Investor Portion, a Bid cannot be submitted for more than 30% of the QIB Portion. **Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date.**

Anchor Investor shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid. Provided that any difference between the price at which allocation is being done to the Anchor Investors and Anchor Investor Issue Price, shall be payable by the Anchor Investor Pay-in Date. If the Issue Price is greater than the price at which allocation is being done to the Anchor Investors, the additional amount being the difference, shall be paid by the Anchor Investor. If the Issue Price is lower than the Anchor Investor Issue Price, the Allotment to Anchor Investors shall be at the price at which allocation is being done to the Anchor Investors.

Bidders are advised to make independent enquiries and ensure that any single Bid 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 DRHP.

Information for Bidders:

(a) Our Company shall file the Red Herring Prospectus with the RoC at least three days before the Bid Opening Date.

(b) Subject to Section 66 of the Companies Act, our Company shall, after registering the Red Herring Prospectus with the RoC, make a pre-Issue advertisement, in the form prescribed under the SEBI Regulations, in all editions of Financial Express (a widely circulated English national daily newspaper) and all editions of Jansatta (a widely circulated Hindi national daily newspaper). In the pre-Issue advertisement, our Company and the Book Running Lead Managers shall declare the Bid Opening Date and the Bid Closing Date. This advertisement, subject to the provisions of Section 66 of the Companies Act, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

(c) Our Company shall announce the Price Band at least two Working Days before the Bid Opening Date in all editions of Financial Express (a widely circulated English national daily newspaper) and all editions of Jansatta (a widely circulated Hindi national daily newspaper). This announcement shall contain relevant financial ratios computed for both upper and lower end of the Price Band.

(d) The Issue Period shall be for a minimum of three Working Days. In case the Price Band is revised, the Issue Period shall be extended, by an additional three Working Days, subject to the total Issue Period not exceeding 10 Working Days. The revised Price Band and Issue Period will be widely disseminated by notification to the SCSBs and Stock Exchanges, and by publishing in all editions of Financial Express (a widely circulated English national daily newspaper) and all editions of Jansatta (a widely circulated Hindi national daily newspaper) and also by indicating the change on the websites of the Book Running Lead Managers and at the terminals of the members of the Syndicate.

(e) Our Company shall dispatch the Red Herring Prospectus and other Issue material including Bid cum Application Forms, to the Designated Stock Exchange, members of the Syndicate, Bankers to the Issue, investors' associations and SCSBs in advance.

(f) Copies of the Bid cum Application Form will be available for all categories of Bidders, other than Anchor Investors, with the members of the Syndicate, the Designated Branches, and at our Registered Office and our Corporate Office. Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLMs. Copies of the electronic Bid cum Application Forms will be available on the websites of the SCSBs and of the Stock Exchanges at least one day prior to the Bid Opening Date. A unique application number will be generated for every Bid cum Application Form downloaded and printed from the websites of the Stock Exchanges. The Book Running Lead Managers shall ensure that adequate arrangements are made to circulate copies of the abridged Red Herring Prospectus and the Bid cum Application Form to the SCSBs and the Syndicate.

(g) With effect from August 16, 2010, the beneficiary accounts of Bidders for whom PAN details have not been verified shall be suspended for credit and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.

(h) Bid cum Application Forms submitted by Bidders whose beneficiary account is inactive shall be rejected.

(i) For ASBA Bidders, no separate receipts will be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the members of the Syndicate or the SCSB, as the case may be, will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

(j) Eligible Bidders who are interested in subscribing for the Equity Shares should approach any of the Book Running Lead Managers or their authorised agent(s) to register their Bids. For details regarding mode of Bidding and manner of submission of the Bid cum Application Form, please see, "Issue Procedure- Bid cum Application Form" on page 526.

(k) The Bids should be submitted on the prescribed Bid cum Application Form only. Physical Bid cum Application Forms should bear the stamp of the members of the Syndicate, otherwise they will be rejected.

(l) Except for Bids submitted on behalf of the Central Government or the State Government or officials appointed by a court and Bidders resident in the state of Sikkim who may be exempt from specifying their PAN for transacting in the securities market, all Bidders should mention their Permanent Account Number (PAN) allotted under the IT Act. In case of Bids submitted on behalf of the Central Government or the State Government or officials appointed by a court, such Bidders shall provide sufficient documentary evidence in support of the fact that such Bids have been submitted on behalf of the Central Government or the State Government or officials appointed by a court. Residents of Sikkim shall provide sufficient documentary evidence in support of their address as provided in the SEBI MRD circular MRD/DOP/Dep/cir-29/2004 dated August 24, 2004.

Bidders are advised not to submit the Bid cum Application Form to Escrow Collection Banks and the same will be rejected in such cases and the Bidders will not be entitled to any compensation whatsoever.

Additional information specific to ASBA Bidders

(a) Physical Bid cum Application Form will be available with the Designated Branches and with the members of the Syndicate; and electronic Bid cum Application Form will be available on the websites of the SCSBs and the Stock Exchanges at least one day prior to the Bid Opening Date. Further, the SCSBs will ensure that the abridged Red Herring Prospectus is made available on their websites.

(b) SCSBs may provide the electronic mode of Bidding either through an internet enabled Bidding and banking facility or such other secured, electronically enabled mechanism for Bidding and blocking funds in the ASBA Account. Eligible ASBA Bidders may also approach the Designated Branches to register their Bids through the ASBA process.

(c) The SCSBs shall accept Bids only during the Bid Period and only from the ASBA Bidders. The SCSB shall not accept any Bid cum Application Form after the closing time of acceptance of Bids on the Bid Closing Date.

(d) The physical Bid cum Application Form shall bear the stamp of the Designated Branch or the members of the Syndicate (in case of Bids through Syndicate ASBA), if not, the same shall be rejected.

Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in all editions of Financial Express (a widely circulated English national daily newspaper) and all editions of Jansatta (a widely circulated Hindi national daily newspaper). In the pre-Issue advertisement, we shall state the Bid Opening Date and the Bid Closing Date.

Method and Process of Bidding

(a) The Price Band for the Issue will be decided by our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, and the Bid Lot for the Issue will be decided by our Company, in consultation with the Book Running Lead Managers, and advertised in all editions of Financial Express (a widely circulated English national daily newspaper) and all editions of Jansatta (a widely circulated Hindi national daily newspaper) at least two Working Days prior to the Bid Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price. The members of the Syndicate and the SCSBs shall accept Bids from the Bidders during the Issue Period.

(b) The Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Issue Period maybe extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Issue Period, if applicable, will be published in all editions of Financial Express (a widely circulated English national daily newspaper) and all editions of Jansatta (a widely circulated Hindi national daily newspaper) and also by indicating the change on the website of the Book Running Lead Managers.

(c) During the Issue Period, Bidders who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or their authorised agents to register their Bid. The members of the Syndicate accepting Bids have the right to vet the Bids during the Issue Period in accordance with the terms of the Red Herring Prospectus. ASBA Bidders Bidding through Syndicate ASBA should submit their Bids to the members of the Syndicate. ASBA Bidders Bidding through the SCSBs are required to submit their Bids to the Designated Branches of such SCSBs or to the SCSBs electronically through internet banking facility using the electronic Bid cum Application Form.

(d) Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph entitled "Bids at Different Price Levels" below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

(e) The Bidder cannot bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to the members of the Syndicate or SCSBs, as the case may be. Submission of a second Bid cum Application Form to a member of the Syndicate or an SCSB will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic Bidding system, or at any point of time prior to the approval of the Basis of Allotment. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph entitled "Build up of the Book and Revision of Bids". Provided that Bids submitted by a QIB in the Anchor Investor Portion and in the Net QIB Portion will not be considered as multiple Bids.

(f) Except in relation to Bids received from the Anchor Investors, the members of the Syndicate/ the SCSBs, as the case may be, will enter each Bid option into the electronic Bidding system as a separate Bid and generate a Transaction Registration Slip, ("**TRS**"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

(g) The Book Running Lead Managers shall accept Bids from the Anchor Investors during the Anchor Investor Bidding Date *i.e.* one Working Day prior to the Bid Opening Date. Bids by Anchor Investors under the Anchor Investor Portion and the Net QIB Portion shall not be considered as multiple Bids.

(h) Along with the Bid cum Application Form, all Bidders (other than ASBA Bidders) will make payment in the manner described in "- Escrow Mechanism - Terms of payment and payment into the Escrow Accounts" in the section titled "Issue Procedure" on page 538.

(i) With regard to Syndicate ASBA, upon receipt of the Bid cum Application Form by a member of the Syndicate, the concerned member of the Syndicate shall issue an acknowledgement by giving the counter

foil of the Bid sum Application Form to the ASBA Bidder as proof of having accepted the Bid. Thereafter, the member of the Syndicate shall upload the details of the Bid in the electronic Bidding system of the Stock Exchanges and forward the Bid cum Application Form to the concerned SCSB. The SCSB shall carry out further action for such Bid cum Application Forms such as signature verification and blocking of funds. If sufficient funds are not available in the ASBA Account, the SCSB shall reject such Bids. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

(j) With regard to non-Syndicate ASBA i.e. ASBA Bidders Bidding through the SCSBs, upon receipt of an Bid cum Application Form, submitted whether in physical or electronic mode, the respective Designated Branch shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges. If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such Bids and shall not upload such Bids with the Stock Exchanges. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic Bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

(k) The Bid Amount shall remain blocked in the aforesaid ASBA Account until approval of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is approved, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful ASBA Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Bids at Different Price Levels

(a) In accordance with the SEBI Regulations, our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers and without prior intimation to or approval from the Bidders, reserve the right to revise the Price Band during the Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The revised Price Band and the Issue Period will be widely disseminated by notification to the Stock Exchanges and the SCSBs and also by indicating the change on the website of the Book Running Lead Managers.

(b) Our Company, in consultation with the Book Running Lead Managers, will finalise the Issue Price within the Price Band, without the prior approval of or intimation to the Bidders.

(c) The Bidders can bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders and Eligible Shareholders Bidding in Shareholder Reservation Portion may bid at the Cut-off Price. However, Bidding at Cut-off Price is not permitted for QIBs and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.

(d) Retail Individual Bidders and Eligible Shareholders who Bid at the Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band and shall deposit the Bid Amount based on the Cap Price in the Escrow Account(s). In case of ASBA Bidders Bidding at the Cut-off Price, the ASBA Bidders will instruct the SCSBs to block an amount based on the Cap Price. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders and the relevant Eligible Shareholder who Bid at the Cut-off Price, they who Bid at the Cut-off Price will receive refunds of the excess amounts in the manner provided in the Red Herring Prospectus.

Escrow mechanism, terms of payment and payment into the Escrow Accounts

For details of the escrow mechanism and payment instructions, please see the sub section "Payment Instructions" on page 547.

Electronic Registration of Bids

(a) The members of the Syndicate and SCSBs will register the Bids using the on-line facilities of the Stock Exchanges. There will be at least one on-line connection in each city where Bids are being accepted. The Book Running Lead Managers, our Company, the Selling Shareholder and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the SCSBs, (ii) the Bids uploaded by the the SCSBs, (iii) the Bids accepted but not uploaded by the the SCSBs or (iv) with respect to ASBA Bids accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts.

(b) In case of apparent data entry error by either the members of the Syndicate or the collecting bank in entering the Bid cum Application Form number in their respective schedules other things remaining unchanged, the Bid cum Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange(s).

(c) The Stock Exchanges will offer an electronic facility for registering Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorised agents and the SCSBs during the Issue Period. The members of the Syndicate and the Designated Branches can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Book Building Process on a regular basis. On the Bid Closing Date, the Syndicate and the Designated Branches shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available with the members of the Syndicate on a regular basis. Bidders are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Bids received on the last day not being uploaded and such Bids will not be considered for allocation.

(d) Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges, a graphical representation of consolidated demand and price, as available on the websites of the Stock Exchanges, would be made available at the Bidding centres during the Issue Period.

(e) At the time of registering each Bid, other than ASBA Bids, the members of the Syndicate shall enter the following details of the Bidders in the on-line system:

- Bid cum Application Form number
- PAN
- Investor Category and sub-category
- DP ID
- Client ID
- Number of Equity Shares Bid for
- Price per Equity Share (price option)
- Bid Amount
- Cheque number

(f) With respect to ASBA Bids, at the time of registering each Bid, the member of the Syndicate or the Designated Branch, as the case may be, shall enter the following information pertaining to the Bidder into the on-line system:

- Bid cum Application Form number;
- PAN;

- Investor category and sub-category
- DP ID
- Client ID
- Number of Equity Shares Bid for
- Price per Equity Share (price option)
- Bank code for the SCSB where the ASBA Account is maintained
- Location of Syndicate ASBA Bidding Location
- Bid Amount

(g) A system generated TRS will be given to the Bidder as a proof of the registration of each of the Bidding options when the Bid is registered. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate or the Designated Branches. The registration of the Bid by the members of the Syndicate or the Designated Branches does not guarantee that the Equity Shares shall be allocated/Allotted by our Company.

(h) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(i) In case of QIBs, other than Anchor Investors, Bidding through the Syndicate ASBA, the Book Running Lead Managers and their affiliate members of the Syndicate, may reject Bids at the time of acceptance of the Bid cum Application Form provided that the reasons for such rejection shall be disclosed to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders and Eligible Shareholders Bidding in the Shareholder Reservation Portion, our Company has a right to reject Bids based on technical grounds.

(j) The permission given by the Stock Exchanges to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Selling Shareholder and/or the Book Running Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the Selling Shareholder, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this DRHP; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

(k) Only Bids that are uploaded on the online system of the Stock Exchanges shall be considered for allocation/ Allotment. The members of the Syndicate shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Bid data in the electronic Bidding systems of the Stock Exchanges. In order that the data so captured is accurate the members of the Syndicate will be given up to one Working Day after the Bid Closing Date to modify selected fields in the Bid data so uploaded in the online system during the Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

(l) Details of Bids in the Anchor Investor Portion will not be registered on the on-line facilities of electronic facilities of the Stock Exchanges.

Build up of the book and revision of Bids

(a) Bids received from various Bidders through the members of the Syndicate and the SCSBs shall be electronically uploaded to the Stock Exchanges' mainframe on a regular basis.

(b) The book gets built up at various price levels. This information will be available with the member of the Syndicate at the end of the Issue Period.

(c) During the Issue Period, any Bidder who has registered his or her Bid at a particular price level is free to

revise his or her Bid within the Price Band using the printed Revision Form. Retail Individual Bidders may revise their Bids within the Price Band at any time until finalization of the Basis of Allotment.

(d) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form, Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, the Bidder must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate and the Designated Branches will not accept incomplete or inaccurate Revision Form.

(e) The Bidder can make this revision any number of times during the Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate or the same SCSB through whom such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form/ or copies thereof.

(f) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders and Eligible Shareholders who had Bid at the Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹ 200,000 if the Bidder wants to continue to Bid at Cut-off Price), with the members of the Syndicate. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

(g) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders and Eligible Shareholders who have bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding would be refunded from the Escrow Account or unblocked, in case of ASBA Bidders.

(h) Our Company, shall, in consultation with the Book Running Lead Managers, decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 5,000 to ₹ 7,000.

(i) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. With respect to the ASBA Bids, if revision of the Bids results in an incremental amount, the SCSBs shall block the additional Bid Amount. In case of Bids, other than ASBA Bids, the members of the Syndicate shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions. In such cases, the members of the Syndicate will revise the earlier Bid details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of the Red Herring Prospectus.

(j) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and may request for a revised TRS from the members of the Syndicate or the SCSB as proof of his or her having revised the previous Bid.

Price Discovery and Allocation

(a) Based on the demand generated at various price levels and the book built, our Company in consultation

with the Book Running Lead Managers, shall finalise the Issue Price.

(b) In the event of under-subscription in the Shareholder Reservation Portion, the unsubscribed portion shall be added to the Net Issue. In the event of under-subscription in the Net Issue, spill-over to the extent of under-subscription shall be permitted from the Shareholder Reservation Portion to the Net Issue, subject to the Net Issue constituting 10% of the post Issue capital of our Company. In the event of under-subscription in any of the categories in the Net Issue, the unsubscribed portion would be allowed to be met with spill over from over-subscription from any other category or a combination of categories at the sole discretion of the Company, in consultation with the Book Running Lead Managers.

(c) Only Bids that are uploaded on the online system of the Stock Exchanges shall be considered for allocation/ Allotment. The members of the Syndicate and the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Bid data in the electronic Bidding systems of the Stock Exchanges. In order that the data so captured is accurate the members of the Syndicate and the SCSBs will be given up to one Working Day after the Bid Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

(d) In case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Bids are liable to be rejected.

(e) With respect to the Eligible Shareholders Bidding under the Shareholder Reservation Portion, if the Eligible Shareholder holds equity shares of MSSL in dematerialized form, the DP ID and Client ID included in the Bid cum Application Form shall be used for determining the eligibility to Bid in the Shareholder Reservation Portion. If the Eligible Shareholder holds equity shares of MSSL in physical form, the PAN details included in the Bid cum Application Form shall be used for determining the eligibility to Bid in the Shareholder Reservation Portion. If the particulars of the Eligible Shareholder do not match the details available in the corresponding records available with the Depositories on the basis indicated above, the Bid by the Eligible Shareholder shall be liable to be rejected.

(f) Allocation to FIIs will be subject to applicable law, rules, regulations, guidelines and approvals.

(g) Allocation to Anchor Investors shall be at the discretion of our Company, in consultation with the Book Running Lead Managers, subject to compliance with the SEBI Regulations.

(h) QIBs shall not be allowed to withdraw their Bid after the Bid Closing Date applicable to QIBs. Further, the Anchor Investors shall not be allowed to withdraw their Bids after the Anchor Investor Bidding Date.

Signing of the Underwriting Agreement and the RoC Filing

Our Company and the Selling Shareholder intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Issue Price. After signing the Underwriting Agreement, our Company will file the Prospectus with the RoC. The Prospectus would have details of the Issue Price, the Anchor Investor Issue Price, Issue size and underwriting arrangements and would be complete in all material respects.

Advertisement regarding Issue Price and Prospectus

Our Company will issue an advertisement after the filing of the Prospectus with the RoC. This advertisement, among other things, shall indicate the Issue Price and Anchor Investor Issue Price, in the event Anchor Investors participate in this Issue. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such an advertisement.

Issuance of Allotment Advice

(a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the members of the Syndicate and the SCSBs a list of the successful Bidders who have been or are to

be Allotted Equity Shares in the Issue. For Anchor Investors, see section titled "Notice to Anchor Investors: Allotment Reconciliation and Intimation" below.

(b) The Registrar to the Issue will send Allotment Advice to Bidders who have been Allotted Equity Shares in the Issue.

(c) The dispatch of an Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Bidder for all the Equity Shares allotted to such Bidder.

Notice to Anchor Investors: Allotment Reconciliation and CAN

A physical book will be prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of our Company, in consultation with the Book Running Lead Managers, selected Anchor Investors will be sent a CAN and if required, a revised CAN. All Anchor Investors will be sent a CAN post the Anchor Investor Bidding Date and in the event that the Issue Price is higher than the price at which allocation is being done to the Anchor Investors, the Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the Anchor Investor Pay-in Date for payment of the balance amount. Anchor Investors should note that they shall be required to pay any additional amounts, being the difference between the Issue Price and the price at which allocation is being done to the Anchor Investors, as indicated in the revised CAN within the Anchor Investor Pay-in Date referred to in the revised CAN. The revised CAN will constitute a valid, binding and irrevocable contract (subject to the issue of Allotment Advice) for the Anchor Investor to pay the difference between the Issue Price and the price at which allocation is being done to the Anchor Investors and accordingly, the Allotment Advice will be issued to such Anchor Investors. In the event the Issue Price is lower than the price at which allocation is being done to the Anchor Investors, the Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice. The Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment of Equity Shares to such Anchor Investors.

The final allocation is subject to the physical application being valid in all respect along with receipt of stipulated documents, the Issue Price being finalised at a price not higher than the Anchor Investor Issue Price and Allotment by the Board of Directors or any committee thereof.

Designated Date and Allotment

(a) Our Company will ensure that the Allotment and credit to the successful Bidder's depositary account will be completed within 12 Working Days of the Bid Closing Date.

(b) Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.

(c) Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them.

GENERAL INSTRUCTIONS

Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

4. Ensure that the Bidder's depository account is valid and active;

5. Ensure that the details about the DP ID, Client ID and PAN are correct as Allotment will be in the dematerialised form only;

6. Ensure that the Bids are submitted at the Bidding centres only on Bid cum Application Forms bearing the stamp of a member of the Syndicate, for Bids other than ASBA Bids;

7. Ensure that you have funds equal to the Bid Amount in your bank account before submitting the Bid cum Application Form for ASBA Bids;

8. Ensure that you have Bid by way of ASBA (for QIBs other than Anchor Investors, and Non-Institutional Bidders);

9. Ensure that you request for and receive a TRS for all your Bid options and an acknowledgement as a proof of having been accepted;

10. Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS or acknowledgment;

11. Except for Bids (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Bidders should provide their PAN. Bid cum Application Forms in which the PAN is not provided will be rejected. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same;

12. Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

13. Ensure that the Demographic Details are updated, true and correct in all respects;

14. Ensure that, if you are an Eligible Shareholder bidding in the Shareholder Reservation Portion and hold equity shares of MSSL only in dematerialized form, the DP ID and Client ID provided in the Bid cum Application Form is of the beneficiary account in which the said equity shares of MSSL are held;

15. Ensure that, if you are an Eligible Shareholder bidding in the Shareholder Reservation Portion and hold equity shares of MSSL in physical form, the PAN provided in the Bid cum Application Form matches with the PAN in relation your holding of equity shares of MSSL;

16. Ensure that if the beneficiary account is held in joint names, the Bid cum Application Form contains the name and PAN of the person whose name appears first in the beneficiary account and signature of only this person is provided in the Bid cum Application Form. This Bidder would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Bid cum Application Form; and

17. Ensure that the DP ID, the Client ID and the PAN mentioned in the Bid cum Application Form and entered into the electronic Bidding system of the stock exchanges by the members of the Syndicate match with the DP ID, Client ID and PAN available in the Depository database.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid/ revise Bid Amount to less than the Floor Price or higher than the Cap Price;

3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;

4. Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest;

5. Do not send Bid cum Application Forms by post; instead submit the same to the members of the Syndicate only;

6. Do not Bid *via* any mode other than ASBA (for QIBs and Non-Institutional Bidders);

7. Do not Bid at Cut-off Price (for QIBs and Non-Institutional Bidders);

8. Do not Bid for a Bid Amount exceeding ₹ 200,000 for Bids by Retail Individual Bidders and by Eligible Shareholders bidding under the Shareholder Reservation Portion;

9. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

10. Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground;

11. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;

12. Do not submit Bids without payment of the full Bid Amount;

13. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms, or on Bid cum application Forms in a colour prescribed for another category of Bidder;

14. Do not Bid if you are an OCB or a QFI;

15. Do not Bid if you are a non-resident other than FIIs investing under the 'Portfoliio Investment Scheme' as per Schedule 2 to FEMA Regulations read with the Foreign Investment Master Circular; and

16. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872.

ADDITIONAL INSTRUCTIONS SPECIFIC TO ASBA BIDDERS

Do's:

1. Check if you are eligible to Bid under ASBA;

2. Before submitting the physical Bid cum Application Form with the member of the Syndicate for Bidding through Syndicate ASBA ensure that the SCSB, whose name has been filled in the Bid cum Application Form, has named a branch in that centre;

3. Read all the instructions carefully and complete the Bid cum Application Form;

4. For ASBA Bidders Bidding through Syndicate ASBA, ensure that your Bid cum Application Form is submitted to the members of the Syndicate at the Syndicate ASBA Bidding Locations and not to the Escrow Collection Banks (assuming that such bank is not a SCSB), to our Company, the Selling Shareholder or the Registrar to the Issue;

5. For ASBA Bidders Bidding through the SCSBs, ensure that your Bid cum Application Form is submitted at a Designated Branch of the SCSB where the ASBA Account is maintained, and not to the Escrow

Collection Banks (assuming that such bank is not a SCSB), to our Company, the Selling Shareholder or the Registrar to the Issue or the members of the Syndicate;

6. Ensure that the Bid cum Application Form is signed by the ASBA Account holder in case the ASBA Bidder is not the account holder;

7. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;

8. Ensure that you have funds equal to the Bid Amount in the ASBA Account before submitting the Bid cum Application Form to the respective Designated Branch;

9. Ensure that you have correctly ticked, provided or checked the authorisation box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB *via* the electronic mode, for the Designated Branch to block funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form;

10. Ensure that you receive an acknowledgement from the Designated Branch or the concerned member of the Syndicate, as the case may be, for the submission of the Bid cum Application Form; and

11. Submit the Revision Form with the same Designed Branch or concerned member of the Syndicate, as the case may be, through whom the Bid cum Application Form was placed and obtain a revised acknowledgment.

Don'ts:

1. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a member of the Syndicate or a Designated Branch, as the case may be;

2. Payment of Bid Amount in any mode other than through blocking of Bid Amount in the ASBA Accounts shall not be accepted under the ASBA;

3. Do not submit the Bid cum Application Form with a member of the Syndicate at a location other than the Syndicate ASBA Bidding Locations.

4. Do not send your physical Bid cum Application Form by post. Instead submit the same with a Designated Branch or a members of the Syndicate at the Syndicate ASBA Bidding Locations, as the case may be; and

5. Do not submit more than five Bid cum Application Forms per ASBA Account.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

1. Bids and revisions of Bids must be made only in the prescribed Bid cum Application Form or Revision Form, as applicable.

2. In case of Retail Individual Bidders, Bids and revisions of Bids must be for a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum Bid Amount of ₹ 200,000. In case the Bid Amount is more than ₹ 200,000 due to revision of the Bid or revision of the Price Band or on exercise of the option to Bid at the Cut-Off Price, the Bid will be considered for allocation in the Non-Institutional Portion subject to such Bid being received by way of ASBA. The option to Bid at the Cut-Off Price is available only to Retail Individual Bidders and Eligible Shareholders bidding under the Shareholder Reservation Portion indicating their agreement to Bid and purchase at the Issue Price as determined at the end of the Book Building Process.

3. In case of Eligible Shareholders, Bids and revision of Bids must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter, so as to ensure that the Bid Amount does not exceed ₹ 200,000. In case the Bid Amount is over ₹ 200,000, due to, among other things, revision of the Bid or revision of the

Price Band or on exercise of bidding at Cut-off Price, the Bid is liable to be rejected. Eligible Shareholders bidding in the Shareholder Reservation Portion have the option to bid at Cut-off Price indicating their agreement to Bid and purchase at the Issue Price. Eligible Shareholders bidding in the Shareholder Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price at the time of making a Bid.

4. In case of Non-Institutional Bidders and QIBs, for a minimum of such number of Equity Shares in multiples of [●] such that the Bid Amount exceeds ₹ 200,000.

5. Bid cum Application Forms or Revision Forms are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Red Herring Prospectus and the Bid cum Application Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected. Bidders should note that the members of the Syndicate and / or the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Bid cum Application Forms or Revision Forms.

6. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal. Bids must be in single name. If the beneficiary account is held in joint names, the Bid cum Application Form should contain the name and PAN of the person whose name appears first in the beneficiary account and signature of only this person would be required in the Bid cum Application Form. This Bidder would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Bid cum Application Form.

7. Bidders must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of the Bidder's active DP ID, Client ID and PAN provided in the Bid cum Application Form, and as entered into the electronic Bidding system of the Stock Exchanges by the Syndicate and the SCSBs, as the case may be, the Registrar to the Issue will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment.

8. Information provided by the Bidders will be uploaded in the online system by the members of the Syndicate and the SCSBs, as the case may be, and the electronic data will be used to make allocation/ Allotment. The Bidders should ensure that the details are correct and legible.

9. Based on the category of the Bidder, the Bid must comply with the maximum and minimum Bid size, as described in "Maximum and Minimum Bid Size" on page 533.

10. Bids through ASBA must be:

    a. made in single name.

    b. completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Red Herring Prospectus and in the Bid cum Application Form.

11. If the ASBA Account holder is different from the ASBA Bidder, the Bid cum Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Bid cum Application Form.

12. For ASBA Bidders, SCSBs may provide the electronic mode of Bidding either through an internet enabled Bidding and banking facility or such other secured, electronically enabled mechanism for Bidding and blocking funds in the ASBA Account. For details regarding mode of Bidding and manner of submission of the Bid cum Application Form, please see, "Issue Procedure - Bid cum Application Form" on page 526.

Bidder's PAN, Depository Account and Bank Account Details

Bidders should note that on the basis of the DP ID, CLIENT ID and PAN provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the Demographic Details of the

Bidders including PAN and MICR code. These Demographic Details would be used for giving CAN, Allotment Advice and refunds (including through physical refund warrants, direct credit, ECS, NEFT and RTGS), if any, to the Bidders. Hence, Bidders are advised to immediately update their Demographic Details (including bank account details) as appearing on the records of the Depository Participant and ensure that they are true and correct. Please note that failure to do so could result in delays in despatch/ credit of refunds to Bidders, delivery of CAN, Allotment Advice or unblocking of ASBA Account at the Bidders sole risk, and neither the members of the Syndicate or the Registrar to the Issue or the Escrow Collection Banks or the SCSBs nor our Company or the Selling Shareholder shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form, as the case may be.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DP ID, CLIENT ID AND PAN IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE DP ID, CLIENT ID AND PAN GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IF THE BENEFICIARY ACCOUNT IS HELD IN JOINT NAMES, THE BID CUM APPLICATION FORM SHOULD CONTAIN THE NAME AND PAN OF THE PERSON WHOSE NAME APPEARS FIRST IN THE BENEFICIARY ACCOUNT AND SIGNATURE OF ONLY THIS PERSON WOULD BE REQUIRED IN THE BID CUM APPLICATION FORM. THIS BIDDER WOULD BE DEEMED TO HAVE SIGNED ON BEHALF OF JOINT HOLDERS AND WOULD BE REQUIRED TO GIVE CONFIRMATION TO THIS EFFECT IN THE BID CUM APPLICATION FORM.

Bidders may note that in case the DP ID, Client ID and PAN mentioned in the Bid cum Application Form, as the case may be and entered into the electronic bidding system of the stock exchanges by the members of the Syndicate or the SCSBs, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Bid cum Application Form, as the case may be, is liable to be rejected and our Company, the Selling Shareholder and the members of the Syndicate shall not be liable for losses, if any.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to the Issue.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders/ Allotment Advice would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/ Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder (other than ASBA Bidders) in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at such Bidders sole risk and neither our Company, the Selling Shareholder, Escrow Collection Banks, Registrar to the Issue nor the members of the Syndicate shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this DRHP, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Bids are liable to be rejected.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/or commission.

PAYMENT INSTRUCTIONS

Payment mechanism for ASBA Bidders

The ASBA Bidders shall specify the ASBA Account number in the Bid cum Application Form and the relevant SCSB shall block an amount equivalent to the application money in the ASBA Account specified in the Bid cum Application Form. In the event of withdrawal or rejection of the Bid cum Application Form or for unsuccessful Bid cum Application Forms, the Registrar to the Issue shall give instructions to the SCSB to unblock the application money in the relevant bank account within 12 Working Days of the Bid Closing Date. The Bid Amount shall remain blocked in the ASBA Account until transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Escrow Mechanism for Bidders other than ASBA Bidders

Please note that payment into Escrow Account is applicable only to Retail Individual Bidders and Eligible Shareholders Bidding in the Shareholder Reservation Portion.

Our Company, the Selling Shareholder and the Syndicate shall open Escrow Account(s) with one or more Escrow Collection Bank(s) in whose favour the Bidders (other than ASBA Bidders) shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders in a certain category would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Banks, for and on behalf of the Bidders, shall maintain the monies in the Escrow Account until the Designated Date. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by Allotment of Equity Shares (including the amount due to the Selling Shareholder but other than in respect of Allotment to successful ASBA Bidders) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the relevant Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholder, the members of the Syndicate, the Escrow Collection Banks and the Registrar to the Issue to facilitate collections from the Bidders.

Each Bidder shall draw a cheque or demand draft mechanism for the entire Bid Amount as per the following terms:

1. All Bidders would be required to pay the full Bid Amount at the time of the submission of the Bid cum Application Form.

2. The Bidders shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the members of the Syndicate. If the payment is not made favouring the Escrow Account along with the Bid cum Application Form, the Bid will be rejected. Bid cum Application Forms accompanied by cash, stockinvest, money order or postal order will not be accepted.

3. The payment instruments for payment into the Escrow Account should be drawn in favour of:

    - In case of resident Retail Individual Bidders: "Escrow Account SMFL R"

    - In case of Eligible Shareholders: "Escrow Account SMFL Shareholder R".

    - In case of resident Anchor Investors: "Escrow Account SMFL Anchor R".

    - In case of Non-Resident Anchor Investors: "Escrow Account SMFL Anchor NR".

4. The monies deposited in the Escrow Account will be held for the benefit of the Bidders (other than ASBA

Bidders) till the Designated Date.

5. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Accounts as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue and the refund amount shall be transferred to the Refund Account.

6. No later than 12 Working Days from the Bid Closing Date, the Registrar to the Issue shall despatch all refund amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also the excess amount paid on Bidding, if any, after adjusting for Allotment to such Bidders.

7. Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts will be rejected. Cash/ stockinvest/money orders/postal orders will not be accepted. Please note that cheques without the nine digit Magnetic Ink Character Recognition ("**MICR**") code are liable to be rejected.

8. Bidders are advised to provide the number of the Bid cum Application Form on the reverse of the cheque or bank draft to avoid misuse of instruments submitted with the Bid cum Application Form.

Payment by cash/ stockinvest/ money order

Payment through cash/ stockinvest/ money order shall not be accepted in this Issue.

OTHER INSTRUCTIONS

Bids in case the beneficiary account is held in joint names

If the beneficiary account is held in joint names, the Bid cum Application Form should contain the name and PAN of the person whose name appears first in the beneficiary account and signature of only this person would be required in the Bid cum Application Form. This Bidder would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Bid cum Application Form.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. In this regard, all Bids will be checked for common PAN as per depository records and all such bids will be treated as multiple Bids and are liable to be rejected.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made. Bids by QIBs under the Anchor Investor Portion and the Net QIB Portion will not be considered as multiple Bids.

For Bids from Mutual Funds and FII sub-accounts, which are submitted under the same PAN, as well as Bids on behalf of the Central or State government, an official liquidator or receiver appointed by a court and residents of Sikkim, for whom the submission of PAN is not mandatory, the Bids are scrutinised for DP ID and Client ID. In case such Bids bear the same DP ID and Client ID, these will be treated as multiple Bids and will be rejected.

An Eligible Shareholder who has Bid under the Shareholders Rervation Portion can also make a Bid in the Net Issue. Such Bids shall not be considered as multiple Bids.

After submitting an Bid cum Application Form either in physical or electronic mode, where such ASBA Bid is uploaded with the Stock Exchanges, an ASBA Bidder cannot Bid, either in physical or electronic mode, on another Bid cum Application Form. Submission of a second Bid cum Application Form to either the same or to another

Designated Branch of the SCSB or to any member of the Syndicate, will be treated as multiple Bids and will be liable to be rejected either before entering the Bid into the electronic Bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in the Issue. Duplicate copies of Bid cum Application Forms available on the website of the Stock Exchanges bearing the same application number will be treated as multiple Bids and are liable to be rejected. More than one ASBA Bidder may Bid for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Bid cum Application Forms from such ASBA Bidders with respect to any single ASBA Account. However, an ASBA Bidder may revise the Bid through the Revision Form.

Our Company, in consultation with the Book Running Lead Managers, reserve the right to reject, in their absolute discretion, all or all except one multiple Bids in any or all categories.

Permanent Account Number or PAN

Except for Bids by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, a Bidder should mention his/ her PAN allotted under the I.T. Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. **Any Bid cum Application Form without the PAN is liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground**.

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Bids, the Registrar will check under the Depository records for the appropriate description under the PAN field i.e. either Sikkim category or exempt category.

Withdrawal of ASBA Bids

QIBs cannot withdraw their ASBA Bids after the applicable Bid Closing Date.

ASBA Bidders can withdraw their Bids during the Issue Period by submitting a request for the same to the concerned SCSB or the concerned member of the Syndicate, as applicable, who shall do the requisite, including deletion of details of the withdrawn Bid cum Application Form from the electronic Bidding system of the Stock Exchanges. Further the SCSBs shall unblock the funds in the ASBA Account either directly or at the instruction of the member of the Syndicate which had forwarded to it the Bid cum Application Form.

In case an ASBA Bidder (other than a QIB) wishes to withdraw the Bid after the Bid Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of Allotment. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file and give instruction to the SCSB for unblocking the ASBA Account after approval of the 'Basis of Allotment'.

REJECTION OF BIDS

Our Company has a right to reject Bids based on technical grounds. In case of QIBs, other than Anchor Investors, Bidding through Syndicate ASBA, the Book Running Lead Managers and their affiliate members of the Syndicate, may reject Bids at the time of acceptance of the Bid cum Application Form provided that the reasons for such rejection shall be disclosed to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders and Eligible Shareholders Bidding in the Shareholder Reservation Portion, our Company has a right to reject Bids based on technical grounds only. Consequent refunds shall be made through any of the modes described in the Red Herring Prospectus and will be sent to the Bidder's address, where applicable, at the Bidder's risk. In relation to all ASBA Bidders, SCSBs shall have no right to reject Bids, except on technical grounds or in the event that if at the time of blocking the Bid Amount in the ASBA Account, the SCSB ascertains that sufficient funds are not available in the Bidder's ASBA Account. Further, in case any DP ID, Client ID or PAN mentioned in the Bid cum Application Form and as entered into the electronic Bidding system of the Stock Exchanges by the members of the Syndicate and the SCSBs, as the case may be, does not match with one available in the depository's database, such

ASBA Bid shall be rejected by the Registrar to the Issue. Subsequent to the acceptance of a Bid by way of ASBA by the SCSB, our Company would have a right to reject such Bids by way of ASBA only on technical grounds.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected on technical grounds including:

- Bid submitted without payment of the entire Bid Amount or if the amount paid does not tally with the Bid Amount;
- Bids submitted by Retail Individual Bidders through the non-ASBA process, wherein the Bid Amount exceeds ₹ 200,000 upon revision of Bids;
- Bids submitted by Retail Individual Bidders which do not contain details of the Bid Amount and the Bid Amount in the Bid cum Application Form;
- Signature of the Bidder missing in the Bid cum Application Form;
- DP ID and Client ID missing in the Bid cum Application Form;
- Submission of more than five Bid cum Application Forms per ASBA Account, in which case, all the Bid cum Application Forms will be rejected;
- Inactive beneficiary account;
- Application submitted on a plain paper;
- Bids by HUFs not mentioned correctly as given in 'Who can Bid'
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply. However a limited liability partnership firm can apply in its own name;
- Bids by minors identified based on the Demographic Details provided by the Depositories;
- PAN not mentioned in the Bid cum Application Form, except for bids by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim provided such claims have been verified by the Depository Participants, DP ID and Client ID not mentioned in the Bid cum Application Form;
- GIR number furnished instead of PAN;
- Bids for lower number of Equity Shares than specified for that category of investors;
- Bids at a price less than the Floor Price;
- Bids at a price more than the Cap Price;
- Bids at Cut-off Price by Non-Institutional Bidders and QIBs;
- Bids with Bid Amount for a value of more than ₹ 200,000 by Bidders falling under the category of Retail Individual Bidders;
- Bids by QIBs and Non-Institutional Bidders not submitted through ASBA;
- Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations,

guidelines and approvals;

- Bids for number of Equity Shares which are not in multiples of [•];
- Multiple bids as referred to in this Red Herring Prospectus;
- Bids accompanied by stockinvest/money order/postal order/cash;
- Bid cum Application Forms not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, Client ID and PAN;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations and applicable law;
- Bids where clear funds are not available in Escrow Accounts as per final certificates from Escrow Collection Banks;
- With respect to ASBA Bids, the ASBA Account not having credit balance to meet the application money or no confirmation is received from the SCSB for blocking of funds;
- Bids by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- Bids submitted by Eligible Shareholder bidding in the Shareholder Reservation Portion and holding equity shares of MSSL only in dematerialized form wherein DP ID and Client ID provided in the Bid cum Application Form is not the same as the DP ID and Client ID of the beneficiary account in which the Bidder holds equity shares of MSSL;
- Bids submitted by Eligible Shareholder bidding in the Shareholder Reservation Portion and holding equity shares of MSSL in physical form wherein the PAN provided in the Bid cum Application Form does not match with the PAN in relation to the Bidders holding of equity shares of MSSL;
- Bids by any person outside India if not in compliance with applicable foreign and Indian Laws;
- Bids by persons in the United States excluding "qualified institutional buyers" as defined in Rule 144A of the Securities Act that are also QPs;
- Bids by persons in the United States or by U.S. Persons in relation to which the relevant Bidder has not delivered a representation letter substantially containing the representations, warranties and agreements contained in the Bid cum Application Form or which, in the judgment of the BRLMs, may result in a violation of applicable foreign or Indian securities laws;
- Bids by non-U.S. Persons in relation to which the relevant Bidder does not certify that it has read and agreed to the representations, warranties and agreements contained in the Bid cum Application Form or which, in the judgment of the BRLMs, may result in a violation of applicable foreign or Indian securities laws;
- Bids not uploaded on the terminals of the Stock Exchanges; and
- Bids by QIBs, Non-Institutional Bidders and Eligible Shareholders Bidding in the Shareholder Reservation Portion uploaded after 4.00 p.m. on the Bid Closing Date, and Bids by Retail Individual Bidders uploaded after 5.00 p.m. on the Bid Closing Date.

IN CASE THE DP ID, CLIENT ID AND PAN MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC BIDDING SYSTEM OF THE STOCK EXCHANGES BY THE SYNDICATE/THE SCSBs DO NOT MATCH WITH THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITARIES THE APPLICATION IS LIABLE TO BE REJECTED AND THE SELLING SHAREHOLDER, OUR COMPANY AND THE MEMBERS OF THE SYNDICATE SHALL NOT BE LIABLE FOR LOSSES, IF ANY.

WITH RESPECT TO THE ELIGIBLE SHAREHOLDERS BIDDING UNDER THE SHAREHOLDER RESERVATION PORTION, IF THE ELIGIBLE SHAREHOLDER HOLDS EQUITY SHARES OF MSSL IN DEMATERIALIZED FORM, THE DP ID AND CLIENT ID INCLUDED IN THE BID CUM APPLICATION FORM SHALL BE USED FOR DETERMINING THE ELIGIBILITY TO BID IN THE SHAREHOLDER RESERVATION PORTION. IF THE ELIGIBLE SHAREHOLDER HOLDS EQUITY SHARES OF MSSL IN PHYSICAL FORM, THE PAN DETAILS INCLUDED IN THE BID CUM APPLICATION FORM SHALL BE USED FOR DETERMINING THE ELIGIBILITY TO BID IN THE SHAREHOLDER RESERVATION PORTION. IF THE PARTICULARS OF THE ELIGIBLE SHAREHOLDER DO NOT MATCH THE DETAILS AVAILABLE IN THE CORRESPONDING RECORDS AVAILABLE WITH THE DEPOSITORIES ON THE BASIS INDICATED ABOVE, THE BID BY THE ELIGIBLE SHAREHOLDER SHALL BE LIABLE TO BE REJECTED.

FURTHER, BIDS BY PERSONS PROHBITED FROM BUYING, SELLING OR DEALING IN THE EQUITY SHARES DIRECTLY OR INDIRECTLY BY SEBI OR ANY OTHER REGULATORY AUTHORITY WILL BE REJECTED.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

The Allotment shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among our Company and the respective Depositories:

- Agreement dated August 10, 2006 among our Company, Registrar to the Issue and NSDL.
- Agreement dated October 9, 2006 among our Company, Registrar to the Issue and CDSL.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

(a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

(b) The Bidder must necessarily fill in the details (including the DP ID, Client ID and PAN) appearing in the Bid cum Application Form or Revision Form.

(c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

(d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository.

(e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form and Revision Form, it is liable to be rejected.

(f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.

(g) Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

(h) The trading of the Equity Shares would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

(i) Non transferable advice or refund orders will be directly sent to the Bidders by the Registrar.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate or the Designated Branch where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

Bidders can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice, credit of Allotted Equity Shares in the respective beneficiary accounts, refund orders *etc*. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders can contact the relevant Designated Branch.

PAYMENT OF REFUND

Within 12 Working Days of the Bid Closing Date, the Registrar to the Issue will dispatch the refund orders for all amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also any excess amount paid on Bidding, after adjusting for allocation/ Allotment to Bidders

In the case of Bidders other than ASBA Bidders, the Registrar to the Issue will obtain from the Depositories the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Bidders in their Bid cum Application Forms. Accordingly, Bidders are advised to immediately update their details as appearing on the records of their Depository Participants. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay will be at the Bidders' sole risk and neither our Company, the Selling Shareholder, the Registrar to the Issue, the Escrow Collection Banks, or the members of the Syndicate, will be liable to compensate the Bidders for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

Mode of making refunds for Bidders other than ASBA Bidders

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through any of the following modes:

1. NECS – Payment of refund would be done through NECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code from the Depositories.

2. Direct Credit – Applicants having bank accounts with the Refund Bank (s), as per Demographic Details received from the Depositories, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.

3. RTGS – Applicants having a bank account at any of the centres where such facility has been made available and whose refund amount exceeds ₹ 0.20 million, have the option to receive refund through RTGS provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Bidder's bank which can be mapped with the RBI data to obtain the corresponding Indian Financial System Code ("**IFSC Code**"). Charges, if any, levied by the applicant's bank receiving the credit

would be borne by the applicant.

4. NEFT – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the IFSC Code, which can be linked to an MICR, if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the beneficiary account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched through speed post/ registered post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Mode of making refunds for ASBA Bidders

In case of ASBA Bidders, the Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid Closing Date.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

With respect to Bidders other than ASBA Bidders, our Company shall ensure dispatch of Allotment Advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants within 12 Working Days of the Bid Closing Date. With respect to the ASBA Bidders, our Company shall ensure dispatch of Allotment Advice and/or unblocking of funds in the ASBA Account within 12 working Days of the Working Days of the Bid Closing Date.

In case of applicants who receive refunds through ECS, direct credit or RTGS or NEFT, the refund instructions will be given to the clearing system within 12 Working Days from the Bid Closing Date. A suitable communication shall be sent to the bidders receiving refunds through this mode within 12 Working Days of Bid Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for commencement of trading at all the Stock Exchanges where the Equity Shares are listed are taken within 12 Working Days from the Bid Closing Date. The Selling Shareholder undertakes to provide such reasonable support and extend reasonable co-operation as may be requested by our Company to the extent such support and cooperation is required from such Party to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, our Company further undertakes that:

- Allotment shall be made only in dematerialised form within 12 Working Days of the Bid Closing Date; and

- With respect to Bidders other than ASBA Bidders, dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 Working Days of the Bid Closing Date would be ensured. With respect to the ASBA Bidders, instructions for unblocking of the ASBA Bidder's ASBA Account shall be made within 12 Working Days from the Bid Closing Date.

Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post/speed post. With regard to refunds, bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Our Company shall ensure that refund instructions are given to the Refund Banker or the SCSBs, as applicable, within 12 Working Days of the Bid Closing Date. Our Company and the Selling Shareholder (in the proportion of number of Equity Shares forming part of Offer for Sale to Equity Shares forming part of the Issue) agree that they shall pay interest at the rate of 15% per annum if the refund orders have not been dispatched to the Bidders or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within 15 days from the Bid Closing date.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"*Any person who:*

(a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or

(b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,

***shall be punishable with imprisonment for a term which may extend to five years.*"**

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

- The Net Issue size less Allotment to Non-Institutional Bidders and QIBs shall be available for Allotment to Retail Individual Bidders who have Bid at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

- If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate Basis of Allotment, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

- The Net Issue size less Allotment to QIBs and Retail Individual Bidders shall be available for Allotment to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue

Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

- In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate Basis of Allotment refer below.

C. For QIBs in the Net QIB Portion

- Bids received from the QIBs Bidding in the QIB Portion at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the QIBs will be made at the Issue Price.

- The QIB Portion shall be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price.

- Allotment shall be undertaken in the following manner:

  (a) In the first instance allocation to Mutual Funds for up to 5% of the Net QIB Portion shall be determined as follows:

    (i) In the event that Bids by Mutual Fund exceeds 5% of the Net QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the Net QIB Portion.

    (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price;

    (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds shall be available for Allotment to all QIBs as set out in (b) below;

  (b) In the second instance Allotment to all QIBs shall be determined as follows:

    (i) In the event of oversubscription in the Net QIB Portion, all QIBs who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the Net QIB Portion;

    (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs;

    (iii) Under-subscription below 5% of the Net QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIBs on a proportionate basis.

- The aggregate Allotment to QIBs Bidding in the Net QIB Portion may be up to [●] Equity Shares.

D. For Shareholder Reservation Portion

The Bid and revision of Bids, if any, must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter, so as to ensure that the Bid Amount does not exceed ₹ 200,000. Eligible Shareholders bidding in the Shareholder Reservation Portion have the option to bid at Cut-off Price indicating their agreement to Bid and purchase at the Issue Price.

- Bids received from the Eligible Shareholders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all the successful Eligible Shareholders will be made at the Issue Price.

- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Shareholders to the extent of their demand. Under-subscription, if any, in the Shareholder Reservation Portion shall be added back to the Net Issue.

- If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiple of one Equity Share thereafter.

- Only Eligible Shareholders are eligible to apply under Shareholder Reservation Portion.

E. For Anchor Investors

- Allocation of Equity Shares to Anchor Investors, if any, at the Anchor Investor Allocation Price will be at the discretion of our Company, in consultation with the Book Running Lead Managers, subject to compliance with the following requirements:

  (a) not more than 30% of the QIB Portion will be allocated to Anchor Investors;

  (b) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors;

  (c) Allocation to the Anchor Investors shall be on a discretionary basis and subject to the following:
  (i) maximum of two Anchor Investors shall be allocated upto ₹ 100 million;
  (ii) minimum of two and maximum of 15 Anchor Investors shall be allocated above ₹ 100 million and upto ₹ 2,500 million, subject to minimum Allotment of ₹ 50 million per Anchor Investor;
  (iii) minimum of five and maximum of 25 Anchor Investors shall be allocated above ₹ 2,500 million, subject to minimum Allotment of ₹ 50 million per Anchor Investor;

- The number of Equity Shares Allotted to Anchor Investors, if any, and the Anchor Investor Allocation Price shall be made available in the public domain by the Book Running Lead Managers before the Bid Opening Date by intimating the same to the Stock Exchanges.

Method of Proportionate Basis of Allotment

In the event of the Issue being over-subscribed, our Company and the Book Running Lead Managers shall finalise the Basis of Allotment in consultation with the Designated Stock Exchange. The executive director (or any other senior official nominated by them) of the Designated Stock Exchange along with the Book Running Lead Managers and the Registrar to the Issue shall be responsible for ensuring that the Basis of Allotment is finalised in a fair and proper manner in accordance with the SEBI Regulations.

The allocation shall be made in marketable lots, on a proportionate basis as explained below:

a) Bidders will be categorised according to the number of Equity Shares applied for.

b) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

c) The number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

d) In all Bids where the proportionate Allotment is less than [•] Equity Shares per Bidder, the Allotment shall be made as follows:

- The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and

- Each successful Bidder shall be allotted a minimum of [•] Equity Shares.

e) If the proportionate Allotment to a Bidder is a number that is more than [•] but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.

f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

g) Subject to valid Bids being received, allocation of Equity Shares to Anchor Investors shall be at the sole discretion of our Company, in consultation with the Book Running Lead Managers.

Illustration of Allotment to QIBs and Mutual Funds ("MF")

Issue details

Particulars	Issue details
Issue size	202 million equity shares
Shareholder Reservation Portion	2 million equity shares
Net Issue size	200 million equity shares
Allocation to QIB (not more than 50% of the Issue)	100 million equity shares
Of which:	
a. Reservation For Mutual Funds, (5%)	5 million equity shares
b. Balance for all QIBs including Mutual Funds	95 million equity shares
Number of QIB applicants	10
Number of Equity Shares applied for	500 million equity shares

Details of QIB Bids

S. No.	Type of QIBs	No. of shares bid for (in million)
1.	A1	50
2.	A2	20
3.	A3	130
4.	A4	50
5.	A5	50
6.	MF1	40
7.	MF2	40
8.	MF3	80
9.	MF4	20
10.	MF5	20
11.	**Total**	**500**

[*] *A1-A5: (QIBs other than Mutual Funds), MF1-MF5 (QIBs which are Mutual Funds) Details of Allotment to QIBs Applicants*

Type of QIB	Shares bid for	Allocation of 5% Equity Shares	Allocation of 95% Equity Shares	Aggregate allocation to Mutual Funds
(I)	(II)	(III)	(IV)	(V)
	(Number of equity shares in million)			
A1	50	0	9.60	0
A2	20	0	3.48	0
A3	130	0	24.95	0
A4	50	0	9.60	0
A5	50	0	9.60	0
MF1	40	1	7.48	8.48
MF2	40	1	7.48	8.48
MF3	80	2	14.97	16.97
MF4	20	0.5	3.74	4.24
MF5	20	0.5	3.74	4.24
	500	**5**	**95**	**42.41**

Please note:

1. The illustration presumes compliance with the requirements specified in this DRHP in the section titled "Issue Structure" on page 521.

2. Out of 100 million Equity Shares allocated to QIBs, 5 million (i.e., 5%) will be Allotted on a proportionate basis among five Mutual Fund applicants who applied for 200 million Equity Shares in the QIB Portion.

3. The balance 95 million Equity Shares i.e., 100 -5 (available for Mutual Funds only) will be Allotted on a proportionate basis among 10 QIBs who applied for 500 million Equity Shares (including 5 Mutual Fund applicants who applied for 200 million Equity Shares).

4. The figures in the fourth column entitled "Allocation of balance 95 million Equity Shares to QIBs proportionately" in the above illustration are arrived at as explained below:

    - For QIBs other than Mutual Funds (A1 to A5) = Number of Equity Shares Bid for × 95/495

    - For Mutual Funds (MF1 to MF5) = (No. of shares bid for (i.e., in column II of the table above) less Equity Shares Allotted (i.e., column III of the table above) × 95/495

    - The numerator and denominator for arriving at the allocation of 95 million Equity Shares to the 10 QIBs are reduced by 5 million shares, which have already been Allotted to Mutual Funds in the manner specified in column III of the table above.

Refund Orders or instructions to the SCSBs

The Registrar to the Issue shall give instructions for credit to the beneficiary account with depository participants within 12 Working Days of the Bid Closing Date. Applicants residing at the centres where clearing houses are managed by the RBI, will get refunds through NECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS and NEFT. Our Company shall ensure dispatch of refund orders through ordinary post for refund orders less than or equal to ₹ 1,500 and through registered post or speed post for refund orders exceeding ₹ 1,500 at the Bidder's sole risk within 12 Working Days of the Bid Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 12 Working Days of the Bid Closing Date. In case of ASBA Bidders, the Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid Closing Date.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- That the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;

- That all steps for completion of the necessary formalities for commencement of trading at all the Stock Exchanges where the Equity Shares are listed shall be undertaken within the timelines specified by law;

- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;

- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 Working Days of the Bid Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- That no further issue of Equity Shares shall be made till final trading approvals from all the Stock Exchanges have been obtained for the Equity Shares offered through the Red Herring Prospectus;

- That adequate arrangements shall be made to collect all Bid cum Application Forms and to consider them similar to non-ASBA applications while finalising the Basis of Allotment;

- That we shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought, has been received.

UNDERTAKINGS BY THE SELLING SHAREHOLDER

The Selling Shareholder undertakes and/or certify to the following:

- The Equity Shares being sold pursuant to the Offer for Sale have been held for a period of more than one year prior to the filing of the Draft Red Herring Prospectus with the SEBI, and are fully paid up and are in dematerialized form.

- The Equity Shares being sold are free and clear from any pre-emptive rights, liens, mortgages, trusts, charges, pledges or any other encumbrances or transfer restrictions.

- The Selling Shareholder is the legal and beneficial holders and has full title to the Equity Shares being offered by them in the Offer for Sale.

- The Equity Shares being sold by them in the Offer for Sale shall be transferred to the successful bidders within the specified time in accordance with the instruction of the Registrar to the Issue

- The Selling Shareholder shall not have recourse to the proceeds from the Equity Shares offered by them in the Offer for Sale, until the final listing and trading approvals from all the Stock Exchanges have been obtained.

- The Selling Shareholder (in the proportion of number of Equity Shares forming part of Offer for Sale to Equity Shares forming part of the Issue) agrees that it shall pay interest at the rate of 15% per annum if the refund orders have not been dispatched to the Bidders or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within 15 days from the Bid Closing date.

- The Selling Shareholder shall not sell, transfer, dispose off in any manner or create any lien, charge or encumbrance on the Equity Shares offered by it for the Offer for Sale and shall take such steps as may be required to ensure that such Equity Shares are available for the Offer for Sale, including without limitation not

selling, transferring, disposing of in any manner or creating any charge or encumbrance on such Equity Shares.

- The Selling Shareholder agrees to assist our Company in the redressal of investor grievances.

- The Selling Shareholder will comply with the applicable laws, including but not limited to, the SEBI Act, the Securities Contracts (Regulations) Act, 1956, the Foreign Exchange Management Act, 1999, the Securities Contracts (Regulations) Rules, 1957, the Companies Act, the SEBI Regulations, the Listing Agreement, guidelines, instructions, rules, communications, circulars and regulations issued by the Government of India, the RoC, SEBI, the RBI, or by any other governmental or statutory authority as applicable to it in relation to the Equity Shares offered by them under the Offer for Sale.

Utilisation of Issue proceeds

Our Company declares that:

- All monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;

- Details of all monies utilised out of Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the issue proceeds remains unutilised, under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised;

- Details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested; and

- Our Company shall not have recourse to the proceeds of the Issue until the final listing and trading approvals from all the Stock Exchanges have been obtained.

- The Selling Shareholder shall not have recourse to the proceeds of the Offer for Sale until the final listing and trading approvals from all the Stock Exchanges have been obtained.

Withdrawal of the Issue

In accordance with the SEBI Regulations, our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, reserves the right not to proceed with the Issue at anytime including after the Bid Opening Date, without assigning the reasons thereof. Provided, if our Company and the Selling Shareholder withdraw the Issue after the Bid Closing Date, our Company and the Selling Shareholder will give the reason thereof within two days of the Bid Closing Date by way of a public notice in the same newspapers where the pre-Issue advertisement had appeared. The Stock Exchanges shall also be informed promptly and the Book Running Lead managers, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts specified by the ASBA Bidders within one day from the date of receipt of such notification.

In the event our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, withdraw the Issue after the Bid Closing Date, a fresh offer document will be filed with the RoC/SEBI in the event we subsequently decide to proceed with the Issue.

Notwithstanding the foregoing, the Issue is subject to obtaining the final trading approvals of the Stock Exchanges with respect to the Equity Shares issued in the issue, which our Company will apply for only after Allotment and dispatch of refunds within 12 Working Days of the Bid Closing Date.

SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to Schedule II of the Companies Act and the SEBI Regulations, the main provisions of our Articles relating to, among other things, voting, dividend, lien on shares and the process for modification of such rights and forfeiture of shares are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in our Articles and capitalized/defined terms herein have the same meaning given to them in our Articles.

The regulations contained in Table A in the First Schedule to the Companies Act, 1956, shall apply to our Company except in so far as they are now modified or excluded or supplemented in these articles.

III.	CAPITAL
8	Where at any time after the expiry of two years from formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, then
a)	such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on these shares at that date.
b)	the offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than thirty days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.
c)	the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any person and the notice referred to in sub-clause (b) shall contain a statement of this right.
d)	after the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they may think, most beneficial to the Company.
9	Notwithstanding anything contained in Article 8, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of Article 8) in any manner whatsoever.
a)	if a Special Resolution to that effect is passed by the Company in General Meeting: or
b)	where no such Resolution is passed, if the votes cast (whether on a show of hands, or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that General Meeting (including the casting vote, if any, of the Chairman) by members who being entitled to do so. vote in person, or where proxies are allowed, by proxy, exceed the votes, if any cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.
10	Nothing in sub-clause (c) of Article 8 above shall be deemed:
a)	to extend the time within which the offer should be accepted: or
b)	to authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
11	Nothing in Articles 8, 9 and 10 shall apply to the increase of the subscribed capital caused by the exercise of an option attached to the debentures issued by the Company
a)	to convert such debentures or loans into shares in the Company: or
b)	to subscribe for shares in the Company.
	Provided that the terms of issue of such debentures or the terms of such loans include a term provided for such option and such term:
a)	Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with Rules; if any, made by, that Government in this behalf; and
b)	In the case of debentures or loans or other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the loans.
12	Any debentures, debenture-stock or other securities may be issued at premium or otherwise and may be

		issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting by a Special Resolution.
13		The Company may subject to the provisions of the Companies Act, 1956 and other applicable laws, issue such number of Preference Shares of all kinds, categories on such terms and conditions as to face value, redemption, rate of Dividend, discount/ premium etc., as may be decided by the Board of Directors from time to time.
14		The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of the sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares or debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/ debentures. Unless otherwise agreed the registration of a transfer of shares/ debentures shall operate as a waiver of the company's lien if any, on such shares/ debentures. The Directors may at any time declare any shares/ debentures wholly or in part to be exempt from the provisions of this clause. The Company's lien will be restricted to moneys called or payable at a fixed time in respect of such shares/debentures. For avoidance of doubt, it is clarified that fully paid shares shall be free from all lien and that in case of partly paid shares the Company's lien shall be restricted to monies called or payable at a fixed time in respect of such shares.
15		The Directors may, if they think fit, subject to provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same, whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceed the amount of the call then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced. The members shall not be entitled to any voting rights in respect of the money so paid by him until the same would but for such payment, become presently payable. The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.
16	(a)	Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called unpaid dividend of Samvardhana Motherson Finance Limited and transfer to the said account, the total, amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted. Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the general revenue account of the Central Government. A Claim to any money so transferred to the general revenue account may be preferred to the Central Government by the shareholders to whom the money is due.
	(b)	That there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law and the Company shall comply with all the provisions of Section 205-A of the Act in respect of unpaid or unclaimed divided.
17		The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

18	The company may, by ordinary resolution,
(a)	consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
(b)	sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum, subject, nevertheless, to the provisions of clause (d) of sub-section (1) of section 94;
(c)	cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
19	The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law:
(a)	(its share capital;
(b)	any capital redemption reserve account; or
(c)	any share premium account.
20	Notwithstanding anything contained in these Articles, in accordance with the provisions of Section 77A of the Act, the Company may purchase its own shares or specified securities as it may think necessary, subject to such limits, approvals and upon such terms and conditions as may be prescribed/required in terms of the provisions of the Act.
21	Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Directors, who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at premium or at par or (subject to the compliance with the provisions of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting
22	The Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property, goods or machinery supplied, sold or transferred or for services rendered to the Company.
IV.	**TRANSFER AND TRANSMISSION OF SHARES**
24	The Company shall keep a book to be called the "Register of Transfers" and therein shall fairly and distinctly enter the particulars of every transfer or transmission of any share.
25	A common form of transfer shall be used and the instrument of transfer shall be in writing and all provisions of Section 108 of the Companies Act, 1956 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.
26	The Company shall not register a transfer of shares in the company unless a proper instrument of transfer duly stamped and executed by or on behalf of transferor or and by or on behalf of the transferee and specifying the name, address and occupation , if any of the transferee has been delivered to the company alongwith the certificate relating to the shares, or if no such share certificate is in existence , alongwith the letter of allotment of the shares; provided that where on an application in writing made to the company by the transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board that the instrument of the Transfer signed by or on behalf of the transferor or by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnify as the Board may think fit; provided further that nothing in this Articles shall prejudice any power of the company to register as shareholder any person to whom the right to any share in the company has been transmitted by operation of law.
27	The company may refuse to register the transfer of its Shares in the name of the transferee on any of the following grounds:-
a)	any requirement under the law relating to the registration of Transfer of Shares has not been complied with.
b)	that the transfer of shares is in contravention of any law.

c)	that the transfer of shares is likely to result in such change in the composition of the Board of Directors as would be prejudicial to the interest of the company or to the public interest.
d)	that the transfer of shares in prohibited by any order of any court, tribunal or other authority under any law for the time being in force.
	Provided that the registration of any transfer shall not be refused on the ground of the transferor being along or jointly with any other person indebted to the company on any account whatsoever except a lien in connection with partly paid up shares, but restricted to money called or payable at a fixed time in respect of such shares.
28	Subject to the provisions of Section 111A of the Act, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board of Directors may refuse whether in pursuance of any power of the Company under these Articles or otherwise, to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a member in or debentures of the Company. The Company shall, within one month from the date on which the instrument of transfer or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the Transferee and the Transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal, notice of the refusal to register such transfer, provided that registration of a transfer shall not be refused on the ground of the Transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.
29	No fees shall be charged for registration of transfer or transmission of the shares or debentures of the Company.
30	**Commission and Brokerage**
(a)	Subject to the provisions of Section 76 of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) to any shares or debentures in the Company, but so that the amount or rate of commission does not exceed in the case of shares 5% of the price at which the shares are issued , and in the case of debentures 2.5% of the price at which the debentures are issued.
(b)	The Company may also, on any issue of shares or debentures pay such brokerage as may be lawful.
V.	**CONVERSION OF SHARES INTO STOCK**
31	The Company may by ordinary resolution convert any paid up shares into stock and reconvert any stock into paid up shares of any denomination.
32	The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulations under which the shares from which the stock arose might before the conversion have been transformed or as near thereto as circumstance admit; provided that the Board may from time to time fix the minimum amount of stock transferable so that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
33	The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantage as regard dividends, voting at meetings of the Company and other matters, as if they held the shares from which the stock arose, but no such right, privilege or advantage (except participation in the dividend and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that right, privilege or advantage.
34	Such of the regulations of the Company as are applicable to paid up shares shall apply to stock, and the words "share" and "shareholder" in those regulation shall include "stock" and "stockholder" respectively.
VI.	**INTEREST OUT OF CAPITAL**
35	Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any work on building, or the provision of any plant which cannot be made profitable for a lengthy period, the Company may by special resolution pay interest on so much of that share capital as is for the time being paid up for the period, at the rate and subject to the condition and restrictions provided by Section 208 of the Act, and may charge the same to capital as part of the cost of construction of the work or building or the provision of the plant.

X.	VOTES OF MEMBERS
55	Subject to provision of the Act and these Articles, votes may be either personally or by an attorney of by proxy or in the case of corporate, by a representative duly authorized under Section 187 of the Act.
56	No member shall be entitled to vote, either personally or by proxy for another member, at any general meeting or meeting of a class shareholders, in respect of any shares registered in any name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, or has exercised, any right of lien.
57	Subject to the provision of the Act and these Articles, every member not disqualified by the last preceding article shall be entitled to the present and to speak and vote at such meeting, upon a poll every member entitled to vote and present in person (including a body corporate present as foresaid), or by an attorney or by proxy shall have in respect of every share voting rights in the proportion as the capital paid upon such share bears to the total paid up share capital of the Company.
58	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction lunacy, may vote by his committee or other legal guardiance and any such committee or guardian may vote by proxy. If any member be a minor, the meeting at which the person named in the instrument propose to vote, and in default the instrument of proxy shall not be treated as valid.
59	Every instrument of proxy, whether for a specified meeting or otherwise, shall as nearly as circumstances will admit, be in the any of the forms, set out it in Schedule IX of appointment of any attorney or proxy for voting at meeting of the Company, it shall remain permanently, or for such time as the Board may determine, in the custody of the Company, and if embracing other objects, a copy thereof, examined with the original shall be delivered to the Company to remain in the custody of the Company.
60	A vote given in accordance with the terms of an instrument of copy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or any power of attorney under which such proxy was signed, or the transfer of the shares in respect of which the vote is given, provided that no intimation in writing of the death, insanity, revocation or transfer shall have been received at the office before the meeting.
61	No objection shall be raised to the validity of any vote, except any meeting or poll at which such vote shall be tendered, and every vote, whether given personally or by proxy, not disallowed at such meeting or poll, shall be deemed valid for all purpose of such meeting or poll whatsoever.
62	The chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.
XI.	**DIRECTORS**
65	The number of Directors shall not be less than three and not more than twelve.
XXIII.	**DIVIDENDS**
106	The Company in a general meeting may, subject to Section 205 of the Act, declare the dividend to be paid to the members according to their respective rights and interests in the profits, and subject to the provisions of the Act, may fix the time for payment.
107	Where capital is paid up in advance of calls upon the condition that the same shall carry interest, such capital shall not while carrying interest , confer a right to participate in profit or dividend.
108	The Company may pay dividends in proportion to the amount paid up on each share, where a larger amount is paid up on others.
109	Any capital paid up on a share during the period in respect of which dividend is declared shall, unless the terms of the issue otherwise determine, only entitle the holder of such share to an apportioned amount of such dividend as from the date of payment of capital on the share.
110	No larger dividend shall be declared than is recommended by the Board, but the Company in a general

	meeting may declare a smaller dividend. No dividend shall be payable except out of the profits of the year or any other undistributed profits or otherwise than in accordance with the provisions of the Act, and no dividend shall carry interest as against Company. The declaration of the Directors as to the amount of the net profits of the company shall be conclusive.
111	The Board may retain the dividend payable upon shares in respect of which any person is under Article 29(A)(6) hereof entitled to become a member, or which any person under that Article is entitled to transfer, until such person shall become a member in respect of such shares or shall duly transfer the same.
112	Subject to the provisions of the Act no member shall be entitled to receive payment of any interest or dividend in respect of his share while any money may be due or owing from him to the Company in respect of such share or shares or otherwise the manner intimated by the member and, such service shall be deemed to have been effected in the case of notice of a meeting, at the expiration of 48 hours after the letter containing the document or notice is posted and in any other case, at the time in which the letter would be delivered in the ordinary course of post.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered into or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Red Herring Prospectus) which are or may be deemed material have been attached to the copy of the Red Herring Prospectus delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days until the Bid Closing Date.

A. Material contracts for the Issue

1. Engagement letter dated September 28, 2011 between our Company and the Selling Shareholder, and the Book Running Lead Managers.

2. Issue Agreement dated September 28, 2011 between our Company and the Selling Shareholder, and the Book Running Lead Managers.

3. Agreement dated March 29, 2012 among our Company and the Selling Shareholder, and the Registrar to the Issue.

4. Escrow Agreement dated [●] among our Company, the Selling Shareholder, the Book Running Lead Managers, Escrow Collection Bank and the Registrar to the Issue.

5. Underwriting Agreement dated [●] between our Company and the Selling Shareholder, and the Underwriters.

6. Syndicate Agreement dated [●] between our Company and the Selling Shareholder, and the members of the Syndicate.

7. Selling Shareholder Escrow Agreement dated April 2, 2012 between our Company, the Selling Shareholder and the Registrar to the Issue.

B. Other Material Contracts in Relation to our Company

1. Shareholders' Agreement dated March 23, 2009 entered among our Company, Vivek Chaand Sehgal, Laksh Vaaman Sehgal and Sojitz Corporation, and the letter dated March 26, 2012 entered among Vivek Chaand Sehgal, Laksh Vaaman Sehgal, our Company and Sojitz Corporation in relation thereto.

2. Trust deed dated May 31, 2006 entered among our Company, Ashok Tandon and Gaya Nand Gauba.

3. Shareholder Agreement dated November 22, 2011 between PF Beteiligungsverwaltungs GmbH, Samvardhana Motherson B.V. and Peguform Iberica S.L.U.

4. Framework Agreement dated July 13, 2011 entered among our Company, Peguform Beteiligungs GmbH, UIAG Automotive Beteiligungs GmbH and Cross Motorsport Systems AG.

5. Shareholder agreement dated November 22, 2011 between PF Beteiligungsverwaltungs Gmbh, Forgu GmbH, Samvardhana Motherson Global Holdings Limited and Peguform GmbH.

6. Joint venture agreement dated November 22, 2011 between Cross Motorsport Systems AG and Forgu GmbH.

7. Shareholders' agreement dated July 28, 2011 entered among our Company, MSSL and Samvardhana Motherson Polymers Limited.

8. Shareholders Agreement dated March 15, 2012 between Michael Bernhard Gnann, our Company and Motherson Sintermetal Technology Limited.

9. Consultancy and Professional Service Agreement dated April 1, 2011 between our Company and Motherson Auto Limited.

10. Joint venture agreement dated June 7, 2006 entered between our Company and Spheros GmbH, Germany.

11. Joint venture agreement dated August 24, 2006 entered between our Company and Anest Iwata Corporation, Japan.

12. Joint venture agreement dated January 11, 2008 entered between our Company and Magneti Marelli Holding S.p.A, Italy.

13. Joint venture agreement dated October 5, 2007 entered between our Company and Nissin Electric Company Limited, Japan and deed of adherence dated June 11, 2008 in relation thereto.

14. Joint venture agreement dated September 24, 2007 entered between our Company and Zanotti S.p.A, Italy.

15. Joint venture agreement dated September 24, 2006 entered between our Company and Matsui Manufacturing Company Limited, Japan and amendment agreement dated November 22, 2010.

16. Joint venture agreement dated September 15, 2010 entered between our Company and Bergstrom Inc.

17. Joint venture agreement dated November 23, 2005 entered among our Company, AES Global Pte Limited and Motherson Consultancy Private Limited.

18. Joint venture agreement dated September 25, 2009 entered among our Company, ATAR Mauritius Private Limited and CTM India Limited.

19. Joint venture agreement dated December 28, 2009 entered among our Company, Sojitz Corporation and Motherson Auto Solutions Limited.

20. Joint venture agreement dated October 27, 2006 entered among our Company, Nachi-Fujikoshi Corporation (Japan) and Motherson Advanced Auto Engineering Limited.

21. Joint venture agreement dated September 17, 2010 entered between our Company and Nachi-Fujikoshi Corporation, Japan.

22. Joint venture agreement dated November 15, 2006 entered between our Company and F Holding GmbH, Austria and deed of adherence dated March 27, 2008 in relation thereto.

23. Joint venture agreement dated May 14, 2004 between Woco Franz Josef Holding GmbH, Woco Industrietechnik GmbH and MSSL.

24. Joint venture agreement dated July 21, 1997 between Kyungshin Industrial Corporation Limited and MSSL and addendum agreement dated December 14, 2009 in relation thereto.

25. Joint venture agreement dated August 9, 2007 between Calsonic Kansei Corporation and MSSL and memorandum of amendment dated March 22, 2010 in relation thereto.

26. Joint venture agreement dated December 8, 2000 between Anest Iwata Corporation and Motherson Leasing & Industrial Finance Limited.

27. Joint venture agreement dated September 5, 2005 among Motherson Advanced Systems and Solutions

Limited, Radha Rani Holdings, JSRR Holdings (M) Pvt. Ltd., Vivek Chaand Sehgal, Sumitomo Electric Hardmetal Corp. and Motherson Techno Tools Limited.

C. Material Documents

1. Certified copies of the Memorandum and Articles of Association of our Company as amended from time to time.

2. Certificate of incorporation dated December 9, 2004.

3. Resolutions of the Board of Directors and the IPO Committee dated September 14, 2011 and April 12, 2012, respectively in relation to this Issue and other related matters.

4. Resolutions of the board of directors of Radha Rani Holdings dated September 21, 2011 and April 12, 2012, authorising the sale of [●] Equity Shares aggregating ₹ 3,210.00 million as part of the Offer for Sale.

5. Shareholders' resolution dated September 24, 2011 in relation to this Issue and other related matters.

6. Consent from the Auditors for inclusion of their names as the statutory auditors and of their reports on accounts in the form and context in which they appear in this Red Herring Prospectus.

7. Consent of our Directors, the Book Running Lead Managers, Domestic Legal Counsel to our Company, Domestic Legal Counsel to the Underwriters, International Legal Counsel to the Underwriters, Registrars to the Issue, Escrow Collection Banker, Bankers to the Issue, Bankers to our Company, Company Secretary and Compliance Officer as referred to in their specific capacities.

8. Certificate dated March 30, 2012 issued by Keshari Keshari & Co., Chartered Accountants in relation to the objects of the Issue.

9. Due diligence certificate dated September 28, 2011 addressed to SEBI from the Book Running Lead Managers in relation to filing of the Draft Red Herring Prospectus.

10. In principle listing approvals dated November 4, 2011 and October 24, 2011 issued by BSE and NSE respectively.

11. Tripartite Agreement dated August 10, 2006 among our Company, Registrar to the Issue and NSDL.

12. Tripartite Agreement dated October 9, 2006 among our Company, Registrar to the Issue and CDSL.

13. IPO Grading Report dated April 12, 2012 by ICRA Limited.

14. SEBI letters dated November 3, 2011, December 2, 2011, March 9, 2012 and April 11, 2012 issuing observations on the Draft Red Herring Prospectus.

15. SEBI letter dated April 19, 2012 noting the changes made in the offer document.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, the undersigned hereby declare that all the relevant provisions of the Companies Act, 1956, the guidelines issued by the Government of India and the regulations and guidelines issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956 or the Securities and Exchange Board of India Act, 1992 or rules made thereunder or guidelines issued, as the case may be. We further certify that all the statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/- **Vivek Chaand Sehgal**	**Sd/-** **Laksh Vaaman Sehgal**
Sd/- **Hiroto Murai**	**Sd/-** **Hiroshi Morimoto**
Sd/- **Sushil Chandra Tripathi**	**Sd/-** **Satya Pal Talwar**

SIGNED BY THE MANAGER AND CHIEF FINANCIAL OFFICER
Sd/- **Ashok Tandon**

Date: April 20, 2012

Place: New Delhi

DECLARATION OF THE SELLING SHAREHOLDER

The Selling Shareholder certifies that all statements and undertakings made by the Selling Shareholder in this Red Herring Prospectus about or in relation to itself and the Equity Shares being sold by it in the Offer for Sale, are true and accurate. The Selling Shareholder assumes no responsibility for any other statements in this Red Herring Prospectus.

Signed by the Selling Shareholder, Radha Rani Holdings Pte Ltd

For Radha Rani Holdings Pte Ltd

_____

Sd/-

Eddy Kok
(Authorised Signatory)

Date: April 20, 2012

Place: Singapore

ANNEXURE: IPO GRADING REPORT

ICRA Limited
An Associate of Moody's Investors Service

Ref: DEL/2012-13/S-322/2

Date: April 12, 2012

Mr. Ashok Tandon
Manager and Chief Financial Officer
Samvardhana Motherson Finance Limited
C1 A&B, Sector 1
Noida-201301
Uttar Pradesh, India

Dear Sir,

Re: ICRA Grading of Initial Public Offer of Equity shares of face value of Rs. 10.0 each aggregating Rs 1665.0 Cr to be issued by Samvardhana Motherson Finance Limited to the Public ("IPO")

Please refer to your mandate letter dated February 15, 2012 for grading the Rs 1665.0 Cr IPO of Samvardhana Motherson Finance Limited (SMFL). The Rating Committee of ICRA, after due consideration, has assigned the "IPO Grade 4"* (pronounced as IPO grade four) grading to the captioned IPO programme. This grading indicates above-average fundamentals.

In any of your publicity material or other document wherever you are using the above grading, it should be stated as "IPO Grade 4". We would appreciate if you can sign on the duplicate copy of this letter and send it to us as a token of your confirmation about the use of this letter. The rationale for assigning the above grading will be sent to you in due course.

This grading is specific to the terms and conditions of the proposed IPO issue as was indicated to us by you and any change in the terms or size of the IPO would require the grading to be reviewed by us. If there is any change in the terms and conditions or size of the graded IPO, as above, the same must be brought to our notice before the issue of the IPO. If there is any such change after the grading is assigned by us, it would be subject to our review and may result in change in the grading assigned.

ICRA reserves the right to suspend, withdraw or revise the above grading at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the aforesaid grading assigned to you.

The grading, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the Equity Shares to be issued by you. If the issue graded, as above, is not placed by you within a period of 6 months from date of this letter communicating the grading, the same would stand withdrawn unless revalidated before the expiry of 6 months.

Anupama Arora

* IPO fundamentals are graded on a five point scale from Grade 5 (indicating strong fundamentals) to Grade 1 (indicating poor fundamentals)

Building No. 8, 2nd Floor
Tower A, DLF Cyber City
Phase II, Gurgaon - 122002
Tel. : + 91 - 124 - 4545300
Fax : + 91 - 124 - 4050424
website : www.icra.in
email : info@icraindia.com
Regd. Office: 1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi - 110001
RATING • RESEARCH • INFORMATION

You are required to keep us forthwith informed of any developments (including any default or delay in repayment of interest or principal amount of any debt instruments/ borrowing or proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts) which may have a direct or indirect impact on the grading assigned to the aforesaid IPO programme.

In determining the grading, ICRA has relied on the information available/made available to it by your company and ICRA does not guarantee the completeness or accuracy of such information on which the rating is based.

We thank you for your kind cooperation extended during the course of the grading exercise. Should you require any clarification, please do not hesitate to get in touch with us.

With kind regards,

Yours sincerely,
for ICRA Limited

Vivek Mathur
Senior Group Vice President

Anupama Arora
Vice President

SAMVARDHANA MOTHERSON FINANCE LIMITED

Issue Details

Samvardhana Motherson Finance Limited (SMFL) proposes to come out with an Initial Public Offer (IPO) through issue of a yet to be determined number of shares with a face value of Rs 10.0 per share at a yet to be determined premium, subject to a fresh issue size of Rs 1344.0 Cr. The issue also comprises of offer for sale of stake of Rs 321.0 Cr by a promoter company. The offer would be made through the 100% book building route. Of the net offer, 50% is reserved for Qualified Institutional Buyers (QIBs) while 15% and 35% are allocated for non-institutional investors and retail investors, respectively. Post-IPO, the shares are proposed to be listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

Proposed Use of IPO Proceeds

The IPO proceeds are proposed to be used in the following manner:

Particulars	Rs. Crore
Funding pre-payment and repayment of debt facilities availed by SMFL and its subsidiaries	338.5
Funding Strategic investments in Samvardhana Motherson Polymers Ltd. (SMPL) and Samvardhana Motherson Holdings (M) Pvt. Ltd. (SMHPL)	627.5
Funding investments in rear view vision systems business	156.0
Sub-total	**1122.0**
Expenditure for general corporate purposes	[.]*
Total	**1344.0**

**To be finalized upon determination of issue price*
Source: Company

Analyst Contacts

Subrata Ray
subrata@icraindia.com
+91-22-30470027

Anupama Arora
anupama@icraindia.com
+91-124-4545303

Nitin Chaudhary
nitin.chaudhary@icraindia.com
+91-124-4545831

Relationship Contacts

Vivek Mathur
vivek@icraindia.com
+91-124- 4545 310

Website
www.icra.in

IPO Grading

ICRA has assigned an 'IPO Grade 4', indicating above-average fundamentals, to the proposed IPO of SMFL. ICRA assigns IPO gradings on a scale of IPO Grade 5 to IPO Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals.

An ICRA IPO Grade is a symbolic representation of ICRA's current assessment of the fundamentals of the issuer concerned. The fundamental factors assessed include, *inter alia*, business and competitive position, financial position and prospects, management quality, corporate governance, and history of compliance and litigation.

Disclaimer: Notwithstanding anything to the contrary: An ICRA IPO grade is a statement of current opinion of ICRA and is not a statement of appropriateness of the graded security for any of the investors. Such grade is assigned with due care and caution on the basis of analysis of information and clarifications obtained from the issuer concerned and also other sources considered reliable by ICRA. However, ICRA makes no representation or warranty, express or implied as to the accuracy, authenticity, timeliness, or completeness of such information. An ICRA IPO grade is not (a) a comment on the present or future price of the security concerned (b) a certificate of statutory compliance and/or (c) a credit rating. Further, the ICRA IPO grade is not a recommendation of any kind including but not limited to recommendation to buy, sell, or deal in the securities of such issuer nor can it be considered as an authentication of any of the financial statements of the company, and ICRA shall not be liable for any losses incurred by users from any use of the grade in any manner. It is advisable that the professional assistance be taken by any prospective investor in the securities of the company including in the fields of investment banking, tax or law while making such investment. All services and information provided by ICRA are provided on an "as is" basis, without representations and warranties of any nature.

In the grading perspective, we have referred to SMFL and its investee companies together as SMFL Consolidated (SMFLC).

Strengths

- Diversified product portfolio of SMFLC across the automotive value chain which includes rear view mirrors, wiring harnesses, polymer components, elastomers, HVAC systems, automotive lighting among others. Operations supported by in-house tooling, IT and design capabilities
- Strong global market position of SMFLC in automotive rear view mirrors and strong market positions in wiring harness and rear view mirror business in the domestic market
- Diversified customer base and established relationship with major automotive Original Equipment Manufacturers (OEMs) both in the domestic as well as the overseas market
- Stability in standalone revenue base driven by consistent stream of dividend income from Motherson Sumi Systems Limited (MSSL) which is likely to continue in the future
- Controlling stake in the major investee companies viz., Samvardhana Motherson Reflectec (SMR) and Peguform through direct as well as indirect holding (through MSSL)

Concerns

- The standalone cash flows to remain contingent upon the performance of the investee companies by virtue of being a holding company
- Adverse impact on the consolidated profitability consequent to acquisition of Peguform with weak profitability and asset intensive business; though risk mitigated to an extent by demonstrated ability of the management to turnaround operations in the past as in the case of SMR
- Increased dependence on Europe and USA – both geographies having relatively weaker demand outlook, though risk mitigated by diversified customer base
- Various smaller businesses operating at losses or weak profitability on account of low scale of operations. Improvement to remain contingent upon the company's ability to tie-up new customers and carry out cost rationalization

Grading Rationale

The assigned grading favorably factors in the group's diversified product portfolio which includes rear view mirrors, wiring harnesses, polymer components, HVAC systems, lighting systems etc. for automotive industry, which are further supported by backward integration into support functions such as tooling and IT. The grading also reflects the strong global market position in rear view mirrors and dominant domestic position in wiring hiring of SMFL's key investee companies. The grading also takes into account the established relationship with major global as well as domestic OEMs and further strengthening of ties with the global OEMs post acquisition of Peguform, thus enabling cross-selling opportunities for the group's diversified products. SMFL enjoys a majority stake in SMR and Peguform on account of indirect holding through MSSL. ICRA also draws comfort from the growth prospects of MSSL and its favorable dividend payout policy which has lent stability to SMFL's standalone revenues in the past. However, the standalone cash flows to SMFL are expected to remain dependent upon the performance and the dividend payout policies of its investee companies.

The assigned grading is constrained by currently weak profitability and asset intensive nature of Peguform's business. The managements' ability to improve Peguform's profitability by harnessing synergy benefits and cost rationalization would be beneficial for the consolidated profitability. Also, with two big overseas acquisitions in the past three years, SMFLC's dependence on Europe and the US has increased significantly. The relatively weaker demand outlook of these geographies remains a concern, though the risk is partially mitigated by the healthy volume growth reported by its some of its customers such as Volkswagen and Renault-Nissan. Further, a number of SMFLC's other businesses which are carried out in association with international partners are operating at losses or having weak profitability on account of their relatively small scale of operations or adverse cost structure. These businesses which include automotive lighting, cabins for off road vehicles, gear cutting tools, refrigeration etc. have high growth potential and are supported by the technical expertise of the JV partner, however, the improvement in financial profile will remain contingent upon the company's ability to tie-up new customers and carry out cost rationalization.

Company Profile

SMFL is the holding company of the Samvardhana Motherson Group (SMG) and was incorporated on 9th December 2004. The group which was founded by Mr. V.C. Sehgal in 1975 has diversified businesses including rear view vision systems, wiring harnesses, polymer processing, automotive lighting products,

heating, ventilation and air-conditioning systems, elastomer processing, metal tooling, cabins for off road vehicles, refrigeration systems, design engineering among others.

The company has invested in most of the new joint venture/acquisition of the group, either directly or through its subsidiaries/associate companies. SMFL has equity investments in over 30 companies with its major investee companies in terms of revenue contribution being:

(i) ***Motherson Sumi Systems Limited (MSSL)*** – It is the flagship company of the group, which was promoted in 1986, in technical and financial collaboration with Sumitomo Wiring Systems (SWS) and Sojitz Corporation. MSSL has a strong domestic market position in the wiring harness industry for passenger vehicles with consolidated revenues of Rs 8,175.6 Cr in FY11. Investments in MSSL comprised of 83.9% of the book value of SMFL's total investments as on 31st March 2011.

(ii) ***Samvardhana Motherson Reflectec (SMR; erstwhile Visiocorp)***- Europe based manufacturer of rear view mirror systems for automobiles; this business was acquired by 49:51 JV of SMFL and MSSL in March 2009.

(iii) ***Peguform*** – Europe based manufacturer of plastic injection moulded components, with turnover of Euro 1.4 billion in calendar 2010. SMFL in 49:51 joint-venture with MSSL, completed acquisition of 80% stake in Peguform in November 2011.

Promoters and Management

SMFL is promoted by Mr. V. C. Sehgal, who is the current Chairman of the company. Mr. Sehgal and his family along with other promoter group companies held 90.35% as of April 12, 2012. In addition, equity stake of 6.46 % is held by Sojitz Corporation, a Japan based trading corporation, with diversified interests in construction, petroleum, textiles, chemicals, mining etc. The pricing of the issue is yet to be finalised and, therefore, the extent of the promoter's dilution in SMFL is yet to be established. Nevertheless, the promoter group is expected to maintain a majority stake in the company.

Pre-issue shareholding pattern

Promoter and Promoter Group	Shareholding
Vivek Chaand Sehgal	24.73%
Renu Sehgal	23.19%
Laksh Sehgal	22.17%
Radha Rani Holdings Pte. Ltd.	14.1%
Advance Technologies and Automotive Resources Pte Ltd	4.84%
Others	1.32%
Total Promoter Shareholding	**90.35%**
Public Shareholding	
Samvardhana Employee Welfare Trust / Employees	3.19%
Sojitz Corporation	6.46
Total	**100.00%**

Source: Company

Corporate Governance

SMFL's board of directors currently has six directors of which three directors are independent, thereby satisfying the requirements under clause 49 of the listing agreement. Out of the three non-independent directors; two are from the Sehgal Family, with one of them (Mr. V. C. Sehgal) occupying the position of Executive Chairman. The third non-independent director (Mr. Hiroto Murai) is working with Sojitz Corporation. The company has also constituted following committees for compliance with corporate governance requirements:

Committee	Audit Committee	Remuneration Committee	Share Transfer & Investor Grievance Committee	IPO Committee
Chairman	**S. C. Tripathi**	**S. C. Tripathi**	V. C. Sehgal	
	L.V. Sehgal	Hiroto Murai	L.V. Sehgal	L.V. Sehgal
	Hiroshi Morimoto	**Hiroshi Morimoto**	**S. C. Tripathi**	**S. C. Tripathi**
	S.P. Talwar	**S.P. Talwar**		V. C. Sehgal

ICRA LIMITED

*The names in bold refer to the independent directors on the committee; *Source: DRHP*
The company has also applied for classification as a systemically important core investment company (CIC-ND-SI) and is required to be registered with the Reserve Bank of India (RBI). While the application was made on May 6, 2011, as on date, the matter of registration as CIC is still under consideration by the RBI.

Business and competitive position

Diversified business presence across automotive sectors enables the company to improve content per vehicle

SMFLC is present across the automotive value chain with operations in rear view mirrors, wiring harnesses, polymer components, elastomer components, HVAC systems and automotive lightings among others, thus allowing the company to provide end to end solutions resulting in increased content per vehicle. In addition, the group also has presence in the domain of IT & Design and metal tooling, which not only helps it to diversify its customer base, but also provide in-house support to its core operations.

Wiring harness business used to be the largest business of the group until FY09 as the rear view mirror business was limited to India and was carried out through a joint venture of MSSL with Visiocorp. With the acquisition of Visiocorp (later renamed SMR) in March 2009, the automotive mirrors segment became the largest business segment of the group and contributed more than 50% of the revenues until FY11.

With SMFL and MSSL acquiring 80% stake in Peguform, the business mix is expected to get skewed towards polymer products. Prior to this acquisition, the group carried manufactured polymer products through Motherson Automotive Technologies & Engineering (MATE), the polymer division of MSSL and Sumi Motherson Innovative Engineering Limited (SMIEL), a joint venture between SMFL and SWS[1]. In comparison, Peguform is a global manufacturer of plastic injection moulded components and assemblies and operates at a much larger scale with an annual turnover of Euro 1.4 billion in CY10.

Geographically diverse revenue base; However dependence on Europe to increase

The revenues of SMFLC are highly diverse with 30% contributed from India driven by the domestic wiring harness business, while the remaining being contributed primarily from Europe and Asia Pacific primarily on account of the rear view mirror sales in these continents.

Geography-wise revenues in FY11

Source: DRHP

Market share of passenger vehicle manufacturers in the European Union

OEM Group	2011	2010	Increase in car sales (%)
VW Group	23.2%	21.2%	7.5%
PSA Group	12.5%	13.5%	-9.0%
Renault Group	9.7%	10.4%	-8.4%
GM Group	8.7%	8.7%	-2.0%
FORD	8.0%	8.1%	-3.2%
FIAT Group	7.1%	7.9%	-12.1%
BMW Group	6.0%	5.4%	7.6%
Daimler	5.0%	4.9%	0.2%
Toyota	4.0%	4.2%	-6.4%
Others	15.8%	15.7%	0.6%

Source: ACEA

SMFLC's dependence of revenues on Europe is expected to increase post the acquisition of Peguform given the large proportion of the latter's sales from the European countries[2]. Though the demand outlook for passenger vehicles remains relatively weaker in Europe as compared to the emerging economies, the group is expected to derive comfort from the improved relationship with the Volkswagen Group which is the largest customer of Peguform[1]. The Volkswagen group is the second largest producer of cars globally and recorded a sales volume growth of 7.5% in the European Union territory in 2011 to consolidate its position as the market leader in the region.

[1] *SMIEL is merged with MSSL w.e.f April 1, 2011, following approval from the High Court and necessary forms has been filed Registrar of Companies on March 30, 2012.*
[2] *Source: www.motherson.com*

Rear View Mirrors Business

Established relationships with most global passenger vehicle OEMs and diversified customer portfolio and geographic presence

The group carries out the business of developing, producing and distributing rear vision systems for the international automotive industry through SMR. Globally, SMR operates 19 production sites and 10 engineering centres in 13 countries across America, Europe, Asia and Australia and its product portfolio consists of outer rear view mirror systems (ORVM) and interior rear view mirror systems (IRVM).

SMR's customer portfolio includes most of the major global passenger vehicle OEMs located across five continents to whom it supplies rear view mirrors as a tier-1 supplier. SMR's key customers include major OEMs such as Volkswagen, Renault-Nissan among others. Globally, the European region is the largest contributor to SMR's revenues followed by the Asia Pacific region and America.

Strong market position in automotive mirrors being the second largest player globally and the largest in Europe in ORVMs

SMR is the second largest manufacturer of ORVMs with a share of 22.0% in 2010, while it enjoys the leadership position in ORVMs in European region with a market share of 34.0% on account of its strong share of business with Volkswagen and relationships with all the other major OEMs. In India, the group's operations are carried through SMR Automotive Systems India Limited, which is the market leader in the ORVM segment with a share of 57.0% in 2010. The major competitor of the group is Magna Donnelly which is the global market leader with share of 24.0%, and Ficosa, Murakami, Ichikoh, Gentex among others.

Polymer Components Business

SMFLC carries out manufacture of polymer components for supply to automotive and consumer durable industries through MATE and SMIEL. These entities manufacture small plastic injection moulded components such as door handles, console boxes and fender liners for passenger vehicles and panels for non-automotive applications to bigger plastic components such as door trims, bumpers and instrument panels.

On 23rd November 2011, the group completed the acquisition of 80% of the shareholding of Peguform Group, Germany from Cross Industries AG, who would continue to hold 20% shareholding. Peguform is a Euro 1.4 billion company engaged in the business of automotive plastic moulded components and is a market leader in Europe in some of its product segments like painted bumpers and car bodies and is one of the largest suppliers of door trims and instrument panels in Germany. The acquisition was made through Samvardhana Motherson Polymers Limited (SMPL) and Samvardhana Motherson Global Holdings limited (SMGHL), which are both held by SMFL and MSSL in the same ratio of 49:51.

Potential Synergies between Peguform and Samvardhana Motherson Group

The group has been in the field of plastic moulding for more than a decade through MATE and proposed acquisition of Peguform is in line with the group's existing business in India and has the potential to add significant value by integrating and consolidating the business in India and globally.

Sharing of technical expertise and engineering capabilities

The acquisition is expected to bring in Peguform's product design and manufacturing capabilities in the plastic moulding business, while Peguform is expected to benefit from the group's engineering capabilities, resource sharing opportunities and the group's knowledge of sourcing that could help Peguform in reducing its capex on tooling. Additionally, since Peguform focuses on manufacturing relatively large and sophisticated parts, the company may source various smaller components from SMFL group companies in India as well as in other low cost countries.

Cross-selling opportunities

Peguform's products are supplied to some of the largest auto OEMs, almost all of which are existing customers of SMFLC too (mainly through SMR). Majority of the sales of Peguform are contributed by the Volkswagen group (VW, Audi, SEAT and Porsche) and thus the acquisition not only enhances the group's relationship with Volkswagen but also facilitates the group to cross sell its products to these OEMs resulting in increased content per vehicle.

Adverse impact on consolidated profitability and return on capital though turnaround expected in medium term

The acquisition of Peguform had an immediate adverse impact on the consolidated profitability and the return on capital of the group given its weak profitability and large size. However, Peguform's profitability is expected to improve in the medium term on the back of the turnaround measures which have been outlined by the group.

Wiring Harness Business

MSSL maintains a strong market position in the wiring harness business in the domestic market
The group undertakes the manufacture of wiring harnesses through MSSL, which manufactures wiring harnesses for all the segments in the automotive industry ranging including passenger vehicles, commercial vehicles, motorcycles, three-wheelers and off-highway vehicles. MSSL with its subsidiaries and JVs, have their manufacturing and engineering base spread across India, Sharjah, Ireland, Sri Lanka, Italy, Japan and the UK. MSSL, together with its JV, Kyungshin Industrial Motherson Limited (KIML), is a leading supplier of wiring harnesses to most of the OEMs in India and enjoys a strong market share in the domestic passenger vehicle industry as well as the domestic commercial vehicle industry.

Competitive cost structure through backward integration and technical assistance from SWS enable MSSL to maintain its leadership position
MSSL derives benefits from technical assistance and international relationships of SWS, the second largest wiring harness player globally. However, MSSL's JV agreement with SWS restricts its exports to the non-automotive segment only or otherwise be channeled only though SWS. The other factor that has resulted in MSSL maintaining its strong position in domestic wiring harness industry is its competitive cost structure benefitting from backward integration for critical inputs like wires, connectors, grommets, protectors, fuse and fuse boxes.

Other Key Businesses

Diversification strategy through formation of partnerships with specialized global players
Over the years, the company has ventured into other automotive components and other related industries through formation of subsidiaries or joint ventures with global players which possess technical expertise and product know-how and have an established customer base in their operating geographies. The incoming partners in turn derive benefit from the group's operational support and its established relationships with domestic OEMs. Some of the key ventures of the company are depicted below.

Key Subsidiaries and Joint Ventures

Company Name	Domain	Year of Incorp.	SMFL's Holding	Other key shareholder
Magneti Marelli Motherson Auto System Ltd (MMM)	Automotive Lighting	2008	50.0%	Magneti Marelli Holding SpA, Italy
Motherson Sumi Infotech & Designs Ltd (MIND)	IT	1985	53.6%	SWS
Motherson Techno Tools Ltd (MTTL)	Metal Tooling	2005	14.3%	SWS
Motherson Zanotti Refrigeration System Ltd (MOZAR)	Refrigeration	2007	50%+ 1 share	Zanotti S.p.A, Italy
Spheros Motherson Thermal System Ltd (SMTL)	HVAC	2006	49.0%	Spheros GmBH, Germany
Motherson Advanced Tooling Solutions Ltd (MATS)	Metal Tooling	2007	100.0%	-
CTM India Ltd (CTM)	Polymers	2009	41.0%	ATAR Mauritius
Fritzmeier Motherson Cabin Engineering Ltd (FMCEL)	Cabins for off road vehicles	2006	50.0%	F Holdings GmBH, Austria
Anest Iwata Motherson Ltd. (AIM)	Support	2000	49.0%	Anest Iwata Corp, Japan
Nachi Motherson Tool Technology Ltd (NMTTL)	Metal Tooling	2004	74.0%	Nachi Fujikoshi Corp., Japan
Motherson Auto Solutions Limited	Industrial Park	2004	66.0%	Sojitz Corp., Japan

Source: DRHP, Company

Apart from lending diversity to the product portfolio, ventures such as MIND provide the group with in-house expertise with respect to IT, ERP Solutions, Engineering and Design, which is required by most of the other businesses. In addition, some of other joint ventures of the group are in a very nascent phase and operate at a very small scale. These ventures include Motherson Bergstrom HVAC Solutions Private Limited (MBSL; HVAC Systems in Joint venture with Bergstrom), Motherson Molds and Diecasting Limited (MMDL; Moulding and Die-casting in joint venture with CTM India), Nachi Motherson Precision Limited (NMPL; Precision Tooling in joint venture with Nachi Fujikoshi).

While the improvement in profitability is contingent upon the ability of these companies to ramp up their volumes, there remains a high upside potential in these businesses on account of presence of demand drivers in their operating industries, technical expertise and the global customer relationships of the incoming partners and large cross-selling opportunities between the group's existing customers.

Financial position

Strong growth in top-line led by acquisition of SMR and organic growth in wiring harness business

Rs Crore	FY 08	FY 09	FY 10	FY11	9M FY12
Operating Income	514.5	936.0	5,061.3	5,716.5	6024.5
Growth		81.9%	440.7%	12.9%	
OPBITDA	73.2	138.0	377.8	503.5	263.9
Growth		88.5%	173.6%	33.3%	
PAT	31.2	68.7	75.7	168.6	(127.8)
Growth		119.9%	10.2%	122.8%	
Net Cash Accruals	55.3	105.6	266.0	339.1	40.6
OPBITDA Margin (%)	14.2%	14.7%	7.5%	8.8%	4.4%
PAT/OI (%)	6.1%	7.3%	1.5%	3.0%	-2.1%
ROCE (%)	7.2%	8.1%	9.5%	14.4%	3.3%
RONW (%)	5.5%	8.0%	5.9%	11.0%	-9.5%
Basic EPS* (Rs)	1.1	1.5	2.1	2.9	(2.5)
Diluted EPS* (Rs)	1.1	1.5	1.9	2.9	(2.5)

Source: DRHP, Company
**Based upon restated financials*

SMFL's consolidated operating income grew to Rs 5716.5 Cr in FY11 account of (i) acquisition of SMR which was completed in March 2009, (ii) capacity led growth of the wiring harness business through MSSL and (iii) new joint ventures in other businesses.

SMFL's top-line grew by more than three times in FY10 post the acquisition of SMR in joint venture with MSSL. The wiring harness business through MSSL too has witnessed a strong growth since FY08 which was driven by ramp up in supplies to existing customers, and increase in average realizations in the wiring harness division. Since 2007, the company has ventured into diversified businesses either independently or through joint ventures including MMM, MATS, CTM and MOZAR among others. These businesses though operate at a much smaller scale than the major businesses, have helped in expanding the product portfolio and boosting the top-line of SMFL.

Adverse impact on profitability after SMR's acquisition, however margins improved through turnaround efforts

Prior to the acquisition by the group, Visiocorp was facing financial distress with operating losses on account of low capacity utilisation and lack of funding support. As a result, the acquisition had an immediate impact on the overall profitability of the group. However, the group carried out production rationalisation, increased in-sourcing of components such as wiring harnesses and plastic parts and provided funding support to the company, which helped in turnaround of the operations and led to an improvement in profitability.

Recent results

For the period ending December 31, 2011, SMFLC reported a net loss of Rs 127.8 Cr as the operating profit was adversely impacted mainly on account of start-up costs associated with SMR's new facilities in Brazil and Hungary and weak profitability of Peguform. Additionally, the net profits were also adversely impacted on account of transaction costs in relation to acquisition of equity shareholding in Peguform Group amounting to Rs 67.2 Cr and mark to market loss of Rs 70.9 Cr arising from exchange differences on restatement of loans denominated in a foreign currency.

The consolidated operating margins are expected to improve with scale up in operations in SMR's new facilities and turnaround measures which are planned to be carried out in Peguform.

Debt funded capex resulting in moderate capital structure

Rs Crore	FY 08	FY 09	FY 10	FY 11	9M FY12
Total Debt	167.7	693.3	867.7	1,095.4	3917.7
Tangible Networth	573.8	1033.4	1293.5	1476.9	1433.2
Total Debt/(TNW + Minority Interest)	0.3	0.6	0.6	0.7	2.0
Cash & Cash Equivalents	88.3	255.3	254.7	275.8	596.2
OPBDITA / Int and FinCharges	12.8	6.5	6.1	8.1	2.0
Total Debt/OPBDITA	2.3	5.0	2.3	2.2	11.1

Source: DRHP, Company

The consolidated debt is primarily contributed by MSSL and SMR, both of which have been expanding their capacities. With Peguform being acquired through a Leveraged buy-out means, the capital structure of the group is expected to stretch by the end of FY12. However, post the public issue, the company plans to prepay about Rs 966.0 Cr of debt on the books of SMFL, SMPL and other subsidiaries, following which the capital structure is expected to ease with sufficient headroom for future debt funded expansion.

The operating cash flows of the company have been improving in the past on the back of rising scale of operations and effective working capital management. The fund flow from operations have remained positive for the last four years, however, the free cash flows have been negative on account of capex activities, which have been funded through additional bank borrowings.

Compliance and Litigation History

Accounting Policies

- The financial statements of the subsidiaries are combined on a line-by-line basis after fully eliminating intra-group balances and intra-group transactions, while in case of joint ventures, the Group's share in the assets, liabilities, income and expenses has been accounted for using the proportionate consolidation method
- Goodwill recognised on consolidation is carried at cost and is reviewed for impairment at the end of each accounting year.

Key litigations

Amount in Rs Cr	Against Company		Against Promoters & Directors		Against Group Cos.		Against Subsidiaries		Against JVs		Against other Consolidated Entities	
Nature of dispute	No.	Amt	No.	Amt	No.	Amt	No.	Amt	No.	Amt	No.	Amt
Criminal	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Civil	0	0.0	0	0.0	0	0.0	5	0.5	0	0.0	2	4.2
Labour	0	0.0	0	0.0	0	0.0	1	0.0	0	0.0	37	92.3
Income Tax	0	0.0	0	0.0	1	10.0	0	0.0	1	5.8	3	4.9
Sales Tax/VAT & Others	0	0.0	0	0.0	5	0.8	0	0.0	1	1.7	1	1.0
Excise	0	0.0	0	0.0	0	0.0	0	0.0	2	3.4	0	0.0
Total	**0**	**0.0**	**0**	**0.0**	**2**	**10.8**	**3**	**0.5**	**4**	**10.9**	**41**	**102.4**

Source: Company

Most of the litigations are against other consolidated entities, which include 37 labour suits against Peguform, Brasil filed between 2004 and 2011, mainly pertaining to damages for pain and suffering due to labour accidents and overtime dues. There is a criminal case involving Mr. S.P. Talwar, an independent director on corruption charges. The investigation by the Anti-Corruption Bureau has been completed, who have stated in their report that no case is made out against the company and the directors.

Contingent Liabilities

The company has not provided for the following contingent liabilities on a consolidated basis as on December 31st, 2011

All figures in Rs Cr	As on 31st Dec 2011
In respect of Excise	1.3
In respect of Customs	0.0
In respect of Entry Tax	0.0
In respect of Sales Tax	2.0
In respect of Service Tax	1.0
In respect of Stamp Duty	0.2
In respect of Income Tax	2.2
In respect of Labour Cases	0.6
In respect of Other Taxes/Duties	5.6
Bank Guarantees/Corporate Guarantees	11.7
Total	**24.6**

Source: Company

ICRA Limited

An Associate of Moody's Investors Service

CORPORATE OFFICE
Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon 122 002
Tel: +91 124 4545300 Fax: +91 124 4545350
Email: info@icraindia.com, Website: www.icra.in

REGISTERED OFFICE
1105, Kailash Building, IIth Floor, 26 Kasturba Gandhi Marg, New Delhi 110001
Tel: +91 11 23357940-50 Fax: +91 11 23357014

Branches: **Mumbai**: Tel.: + (91 22) 24331046/53/62/74/86/87, Fax: + (91 22) 2433 1390 o **Chennai**: Tel + (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294, Fax + (91 44) 2434 3663 o **Kolkata**: Tel + (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008, Fax + (91 33) 2287 0728 o **Bangalore**: Tel + (91 80) 2559 7401/4049 Fax + (91 80) 559 4065 o **Ahmedabad**: Tel + (91 79) 2658 4924/5049/2008, Fax + (91 79) 2658 4924 o **Hyderabad**: Tel +(91 40) 2373 5061/7251, Fax + (91 40) 2373 5152 o **Pune**: Tel + (91 20) 2552 0194/95/96, Fax + (91 20) 553 9231

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