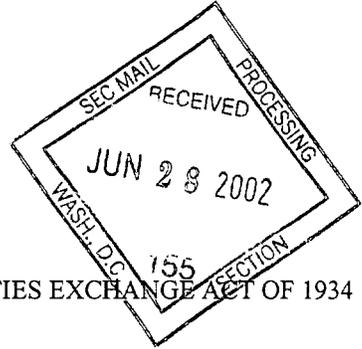




SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 11-K



ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended: December 31, 2001

OR

TRANSITION REPORT PURSUANT TO SECTION 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File No. 1-14787

Delphi Mechatronic Systems Savings-Stock Purchase Program
(Full title of the plan)

DELPHI CORPORATION
5725 Delphi Drive, Troy, Michigan 48098
(Name of issuer of the securities held pursuant to the plan and the
address of its principal executive offices)

PROCESSED
JUL 03 2002
**THOMSON
FINANCIAL**



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INDEPENDENT AUDITORS' REPORT

Delphi Mechatronic Systems Savings-Stock Purchase Program:

We have audited the accompanying statement of net assets available for benefits of Delphi Mechatronic Systems Savings-Stock Purchase Program (the "Program") as of December 31, 2001, and the related statement of changes in net assets available for benefits for the seven-month period ended December 31, 2001. These financial statements are the responsibility of the Program's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Program as of December 31, 2001, and the changes in net assets available for benefits for the seven-month period ended December 31, 2001 in conformity with accounting principles generally accepted in the United States of America.

Deloitte + Touche LLP

Detroit, Michigan

June 24, 2002

DELPHI MECHATRONIC SYSTEMS SAVINGS- STOCK PURCHASE PROGRAM

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS DECEMBER 31, 2001

ASSETS

Investments in master trust (Note 3) \$ 11,473,269

NET ASSETS AVAILABLE FOR BENEFITS \$ 11,473,269

See notes to financial statements.

DELPHI MECHATRONIC SYSTEMS SAVINGS- STOCK PURCHASE PROGRAM

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE SEVEN-MONTH PERIOD ENDED DECEMBER 31, 2001

ADDITIONS:

Net investment income from the master trust (Note 3)	<u>\$ 156,798</u>
Contributions (Note 1):	
Employer	68,446
Participants	440,060
Transfer from Eaton Corporation Share Purchase and Investment Plan (Note 1)	<u>10,869,430</u>
Total contributions	<u>11,377,936</u>
 Total additions	 11,534,734
 DEDUCTIONS – Benefits paid to participants or beneficiaries (Note 1)	 <u>(61,465)</u>
 NET INCREASE	 11,473,269
 NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF PERIOD	 <u>–</u>
 NET ASSETS AVAILABLE FOR BENEFITS, END OF PERIOD	 <u>\$ 11,473,269</u>

See notes to financial statements.

DELPHI MECHATRONIC SYSTEMS SAVINGS-STOCK PURCHASE PROGRAM

NOTES TO FINANCIAL STATEMENTS

1. DESCRIPTION OF PLAN

General – Delphi Mechatronic Systems, Inc. (the “Company”) established the Delphi Mechatronic Systems Savings-Stock Purchase Program (the “Program”) on June 1, 2001, a defined contribution plan, in connection with the formation of the Company and the acquisition of the Vehicle Switch/Electronics Division of Eaton Corporation by Delphi Corporation (“Delphi”), formerly Delphi Automotive Systems Corporation, on March 30, 2001 (the “Acquisition”).

Subsequent to the change in ownership, the Company’s management approved an amendment to the Program effective June 15, 2001, which provided that the Program assets be transferred to the Program as soon as practicable following the effective date. Prior to June 15, 2001, the assets of the Program were maintained by the Eaton Corporation Share Purchase and Investment Plan.

The Company’s Board of Directors acts as the Program fiduciary and, along with various officers, employees and committees, with authority designated from the Program fiduciary, controls and manages the operation and administration of the Program subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). The Company’s Board of Directors designated General Motors Asset Management (“GMAM”) as a named fiduciary and investment advisor to the Program. State Street Bank and Trust Company (“State Street” or the “Trustee”) acts as the trustee of the Program and Fidelity Institutional Retirement Services Company acts as the recordkeeper of the Program. Certain costs of program administration are paid by the Company and Delphi.

The following description of the Program provides only general information. Participants should refer to the Program document for a more complete description of the Program’s provisions.

Eligibility – An employee shall become eligible to participate and accumulate savings on the first day of the month following the completion of six months of service with the Company. Employees who transitioned from Eaton Corporation in connection with the Acquisition and were already eligible to participate in the Eaton Corporation Share Purchase and Investment Plan on March 30, 2001 were eligible to participate in the Program on June 1, 2001.

Participant Contributions – Each year, participants may contribute up to 20 percent of base pay through payroll deductions, as defined in the Program. One half of the first 6% of base compensation contributions by the participant are automatically invested in the Delphi Common Stock Fund. Such contributions along with net earnings on those amounts must remain invested in this fund through the last day of the Program year in which the contributions were made, at which time they may be transferred by the participant to other available investment options. Participants may also contribute amounts representing rollover distributions from other qualified plans.

Employer Contributions - The Company contributes an amount equal to 25% of the first 6% of base compensation contribution by the participant. Additional amounts may be contributed by the Company at the option of management. The Company’s matching contribution is invested entirely in the Delphi Common Stock Fund. Such contributions along with net earnings on those amounts must remain invested in this fund through the last day of the Program year in which the contributions were made, at

which time Employer contributions may be transferred by the participant to other available investment options.

Participant Accounts – Each participant's account is credited with the participant's contributions and withdrawals, as applicable, and allocations of (a) the Company's contributions and (b) Program earnings. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

Vesting – Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's contribution plus actual earnings thereon is based on years of credited service. A participant is 100 percent vested in the Company's contributions after five years of credited service. Participants whose last hour of service is after December 31, 2001 are fully vested in the Company's contributions after three years of credited service.

Investment Options – Company contributions are made to the funds on the same basis as the employee contributions. A participant may direct employee contributions in whole percentage increments to any of the following options as described by the funds prospectus:

- *Delphi Common Stock Fund* - Contributions are invested in Delphi common stock.
- *Promark Funds* - This investment option is comprised of many investment funds managed by GMAM, a registered investment advisor. Each of the funds has a different objective and investment strategy. To pursue their objectives, GMAM fund managers invest in a wide variety of investments. Complete information about each Promark Fund's objectives is described in the Program's prospectus.
- *Fidelity Mutual Funds* - This investment option is comprised of many different mutual funds managed by Fidelity Investments. Each mutual fund has a different objective and investment strategy. To pursue their objectives, the mutual fund managers invest in a wide variety of investments. Complete information about each mutual fund's objectives and investments is contained in that fund's prospectus.

Other Investments - Certain assets of former investment options to be discontinued as of April 1, 2003 are treated as follows:

- *Axcelis Technologies, Inc. Common Stock Fund* - No contributions or exchanges to this fund are permitted. Participants may only transfer out, borrow or withdraw assets from this fund.
- *Eaton Corporation Common Stock Fund* - No contributions or exchanges to this fund are permitted. Participants may only transfer out, borrow or withdraw assets from this fund.

Other Investment Information - Dividends and other earnings attributable to the Delphi Common Stock Fund, the Promark Funds, and Fidelity Mutual Funds are invested in the respective funds. Dividends attributable to the Axcelis Technologies, Inc. Common Stock Fund and the Eaton Corporation Common Stock Fund are invested in the Promark Income Fund.

Participants may transfer their balances or change their investment options daily.

Participant Loans – Participants may borrow an amount within a range of \$1,000 to the lesser of \$50,000 or 50 percent of their vested account balance. Loan maturities generally range from 6 months to 5 years but can be extended to 10 years for the purchase or construction of a primary residence. The

loans are secured by the balance in the participant's account and bear interest equal to the prime rate. Principal and interest is paid ratably through payroll deductions.

Participant Withdrawals – A participant may withdraw funds from their account at any time after attaining age 59-1/2. Prior to age 59-1/2, employee after-tax savings may be withdrawn at any time, however, pre-tax savings may only be withdrawn because of termination of employment, retirement, death, total and permanent disability, or financial hardship. Prior to receiving a withdrawal for financial hardship, a participant previously must have taken all available asset distributions, withdrawals, and loans under all applicable plans maintained by the Company and its affiliates. The amount that may be withdrawn for a financial hardship is limited as defined in the Program. The funds that represent a financial hardship withdrawal must conform to conditions required by the Internal Revenue Service (the "IRS"). A participant who receives a hardship distribution shall have his or her contributions to the Program suspended for twelve months.

Forfeitures – Participants terminating employment prior to full vesting forfeit the nonvested portion of the Company's contributions as of the effective date of the participant's termination of employment. Such forfeitures are applied to reduce subsequent contributions from the Company.

Administrative Expenses – Administrative expenses consist of a 1% redemption fee on Delphi Common Stock assets held for less than 30 days. The redemption fee is paid to the fund and help protect the fund's performance and shareholders by discouraging frequent trading in response to short-term market fluctuations. Certain costs of Plan administration are paid by Delphi.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed in the preparation of the accompanying financial statements are as follows:

- The financial statements of the Program are prepared under the accrual method of accounting and in accordance with accounting principles generally accepted in the United States of America.
- Investments are stated at fair value, except for investment contracts, which are stated at contract value. Fair values are calculated by reference to published market quotations, where available; where not available for certain common and collective trusts, various bases, including cost, are used in determining estimates of fair values. Contract value represents contributions made under the investment contracts, plus interest, less withdrawals and administrative expenses charged by the issuer of the contract.
- Security transactions are recorded on the trade date.
- Investment income is recognized as earned based on the terms of the investments and the periods during which the investments are held by the Program.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect amounts reported therein. Due to the inherent uncertainty involved in making estimates, actual results reported in future periods may differ from those estimates.

3. THE MASTER TRUST

The Program's investment advisor and named fiduciary, GMAM, established the Delphi Savings Trust (the "master trust"), formerly the Delphi Automotive Systems Savings Trust, pursuant to a trust agreement between GMAM and State Street Bank and Trust Company, as trustee of the funds, to permit the commingling of assets of several employee benefit plans for investment and administrative purposes. As of January 1, 2001, all assets of the ASEC Manufacturing Savings Plan were transferred to the master trust. On June 1, 2001, all assets of the Program were transferred to the master trust from the Eaton Corporation Share Purchase and Investment Plan.

Each participating employee benefit plan has an undivided interest in the net assets and changes therein of each of the master trust investment funds in which the Program's participants invest. The net investment income of each of the master trust investment funds is allocated by the trustee to each participating plan based on the plan's interest in each master trust investment fund, as compared with the total interest of all the participating plans in each master trust investment fund at the beginning of the month.

As of December 31, 2001, the Program had approximately a 0.3% interest in the master trust.

The net assets available for benefits of all participating plans in the master trust as of December 31, 2001 is summarized as follows (dollars in thousands):

ASSETS:

Investments, at fair value:

Mutual funds	\$1,219,498
Common and collective trusts	1,345,348
Commingled common stock funds *	716,659
U.S. Government securities	32,961
Corporate debt instruments	8,829
Loans secured by mortgages	2,068
Cash	389
Loans	<u>151,640</u>

Net assets available for benefits \$3,477,392

* Both participant and nonparticipant-directed

Participant directed investments in the Promark Funds are included above in the Common and collective trust line. Such investments are commingled with General Motors Corporation investments in funds administered by GMAM.

The net investment loss of all participating plans in the master trust for the year ended December 31, 2001 is summarized as follows (dollars in thousands):

Interest and dividends	<u>\$ 51,410</u>
Net (depreciation) appreciation in fair value of investments:	
Mutual funds	(233,985)
Common and collective trusts	4,464
Commingled common stock funds	73,570
Other	<u>3,548</u>
Total net depreciation in fair value of investments	<u>(152,403)</u>
 Total investment loss	 <u>\$ (100,993)</u>

4. PLAN TERMINATION

Although it has not expressed any intention to do so, the Company has the right to terminate the Program subject to the provisions of ERISA. Such termination of the Program, if any, would not affect a participant's interest in assets already in the Program as participants would become 100% vested in their account.

5. TAX STATUS

The Program has applied for, but not yet received, a determination letter from the IRS stating that the Program is in compliance with the applicable requirements of the Internal Revenue Code. Management believes that the Program is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Program's financial statements.

6. SUBSEQUENT EVENT

As a result of the Economic Growth and Tax Relief Reconciliation Act of 2001, effective April 1, 2002, participants may now defer up to 40% of an Employee's eligible salary, as defined in the Program, up to current IRS limits for pre-tax savings (\$11,000 for 2002). The Program was amended to adopt this change on April 15, 2002.

SIGNATURE

Pursuant to the requirement of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Delphi Mechatronic Systems Savings-Stock Purchase Program
(Name of Plan)

June 25, 2002

By: 

Terry D. Boudreau
Plan Administrator

Exhibit Index

Exhibit No.	Description
23	Independent Auditor's Consent

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statement No. 333-64030 of Delphi Corporation on Form S-8 of our report dated June 24, 2002, appearing in this Annual Report on Form 11-K of Delphi Mechatronic Systems Savings-Stock Purchase Program for the year ended December 31, 2001.

Deloitte & Touche LLP

Detroit, Michigan
June 27, 2002