



# Sharda Motor Industries Ltd.

**SMIL: LISTING: 23-24/0409/03**

**September 04, 2024**

**BSE Limited (BSE)**

Department of Corporate Services  
Pheroze Jeejeebhoy Towers  
Dalal Street, Mumbai - 400 001

**(SCRIP CODE - 535602)**

**National Stock Exchange of India Limited (NSE)**

Exchange Plaza,  
5<sup>th</sup> Floor Plot No. C/1, G Block  
Bandra - Kurla Complex, Mumbai - 400 051

**(Symbol - SHARDAMOTR) (Series - EQ)**

**Sub: Submission of Business Responsibility and Sustainability Report for the Financial Year 2023-24**

**Ref: Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir/ Madam,

This is in reference to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Kindly find enclosed herewith Business Responsibility and Sustainability Report (the BRSR) for the Financial Year 2023-24

The BRSR also forms the part of the Annual Report for the Financial Year 2023-24, submitted to the exchanges vide letter No. SMIL: LISTING: 23-24/0409/01 dated September 04, 2024.

We request you to kindly take the above on record.

Thanking you,

Yours faithfully,

**For SHARDA MOTOR INDUSTRIES LIMITED**

**Iti Goyal**

**Asst. Company Secretary &  
Compliance Officer**

**Encl. as above**

**Regd. Office : D-188, Okhla Industrial Area, Phase-I, New Delhi - 110 020 (INDIA)**

**Tel.: 91-11-47334100, Fax : 91-11-26811676**

**E-mail : [smil@shardamotor.com](mailto:smil@shardamotor.com), Website : [www.shardamotor.com](http://www.shardamotor.com)**

**CIN NO-L74899DL1986PLC023202**

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (BRSR)

### Section A: General Disclosures

#### Details of the listed entity:

S. No.	Question	Response
1.	<b>Corporate Identity Number (CIN) of the Entity</b>	L74899DL1986PLC023202
2.	<b>Name of the Listed Entity</b>	Sharda Motor Industries Limited
3.	<b>Year of Incorporation</b>	1986
4.	<b>Registered Office Address</b>	D-188, Okhla Industrial Area Phase-1, New Delhi, Delhi-110020, India
5.	<b>Corporate Address</b>	D-188, Okhla Industrial Area Phase-1, New Delhi, Delhi-110020, India
6.	<b>E-mail</b>	<a href="mailto:investorrelations@shardamotor.com">investorrelations@shardamotor.com</a>
7.	<b>Telephone</b>	011-47334100
8.	<b>Website</b>	<a href="http://www.shardamotor.com">www.shardamotor.com</a>
9.	<b>Financial Year for which report is being done</b>	April 01, 2023 to March 31, 2024
10.	<b>Name of the Stock Exchange(s) where shares are listed</b>	BSE Limited and National Stock Exchange of India Limited
11.	<b>Paid-up Capital</b>	594.63 Lakhs
12.	<b>Name and contact details (telephone &amp; email) of the person who may be contacted in case of queries on the BRSR report</b>	<b>Ms. Iti Goyal</b> Assistant Company Secretary and Compliance officer Contact No. : 011-47334100 E- Mail Id: <a href="mailto:iti.goyal@shardamotor.com">iti.goyal@shardamotor.com</a>
13.	<b>Reporting Boundary (Standalone or Consolidated basis)</b>	The disclosures made under this report are on a standalone basis for Sharda Motor Industries Ltd (SMIL).
14.	<b>Name of assurance provider</b>	Not applicable
15.	<b>Type of assurance obtained</b>	Not applicable

#### Products and Services:

##### 16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	%Turnover of the entity
1	Manufacturing	Manufacturing of motor vehicle parts such as exhaust system, suspension system and sheet metal components.	100%

##### 17. Product/ Services sold by the entity (accounting for 90% of the entity's turnover):

S. No.	Product/ Service	NIC Code	%of total turnover contributed
1	Manufacturing of motor vehicle parts such as exhaust system, suspension system, Sheet metal components.	29301	100%

## Operations:

### 18. Number of locations where plants and/or operations/ offices of the entity are situated:

Location	Number of Plants	Number of Offices	Total
National	8 Manufacturing units (including 2 Tube Mills & 3 Stamping Plants)	1 corporate office and 1 research and development center	<b>10</b>
International	-	1 design and development center	<b>1</b>

#### Our Manufacturing locations:

1. Plot No. A-1/8, MVML Vendor Park MIDC, Phase-IV, Nigo JE Chakan, Pune – 410501
2. PAP K-20,21&22, Village - Khalumbre, Chakan MIDC Phase II, Tal Khed, Pune 410501
3. G-20, Sipcot Industrial Park, Irungattu Kottai, Sriperumbudur Taluka, Kancheepuram Dist. Tamil Nadu – 602105
4. P 12, 1st Avenue, Mahindra World City, Chengalpattu Taluk, Kanchipuram Dist., Tamil Nadu-603 002
5. Plot No.112, M.I.D.C., Satpur, Nasik- 422007, Maharashtra
6. Plot No. 52/1, 52/2, 53/2A, 54A, 54B, 54C & 54D, Behind Ceat Company, Satpur, Nashik-422007
7. Plot No. C/8 Tata Vendor Park, Sanand Viramgam Highway, Ahmedabad, Gujarat- 382170
8. Gate No 19(P), 20(P), 22(P), Chakan MIDC Phase II, Village - Varale, Tal - Khed, Dist - Pune 410501.

### 19. Markets Served by the Entity

#### a. Number of Locations:

Location	Number
National (No. of States)	At present, the Company is serving markets across all states in India
International (No. of Countries)	At present, the Company is serving one (1) international location - United States of America.

#### B. What is the contribution of exports as a percentage of the total turnover of the entity?

The Company's contribution of exports as a percentage of the total turnover amounts to 0.72%.

#### C. A Brief on types of customers?

We are at the forefront of automotive technological innovation, providing our customers with tailored solutions through the use of cutting-edge machinery and equipment. Our company delivers superior automobile components to leading automakers and engine manufacturers both in India and globally.

We collaborate with esteemed automakers, engine manufacturers, and tier-1 suppliers, supplying high-quality, innovative components that enhance vehicle performance and efficiency. Additionally, SMIL partners with original equipment manufacturers (OEMs) to contribute to the development and production of vehicles that adhere to industry standards. SMIL's versatile product range includes exhaust systems, suspension systems, roof systems and supply chain management services.

With a steadfast commitment to excellence, innovation, and customer satisfaction, SMIL continues to drive advancements in the automotive sector, solidifying its position as a trusted partner in the industry. Employees:

## 20. Details as at the end of financial year

### a. Employees and Workers

<b>Employees (including differently abled)</b>						
S. No.	Particulars	Total (A)	Male		Female	
			Number (B)	Percentage (B/A)	Number (B)	Percentage (B/A)
1.	Permanent Employees	679	655	96.47%	24	3.53%
2.	Other than Permanent Employees	121	119	98.35%	2	1.65%
3.	Total Employees (1+2)	<b>800</b>	<b>774</b>	<b>96.75%</b>	<b>26</b>	<b>3.25%</b>

<b>Workers (including differently abled)</b>						
S. No.	Particulars	Total (A)	Male		Female	
			Number (B)	Percentage (B/A)	Number (B)	Percentage (B/A)
4.	Permanent Workers	238	234	98.32%	4	1.68%
5.	Other than Permanent Workers	2262	2205	97.48%	57	2.51%
6.	Total Workers (4+5)	2500	2439	97.56%	61	2.44

### b. Differently abled Employees and Workers

<b>Differently Abled Employees</b>						
S. No.	Particulars	Total (A)	Male		Female	
			Number (B)	Percentage (B/A)	Number (B)	Percentage (B/A)
1.	Permanent Employees	2	2	100%	-	-
2.	Other than Permanent Employees	-	-	-	-	-
3.	Total Employees (1+2)	2	2	100%	-	-

<b>Differently Abled Workers</b>						
S. No.	Particulars	Total (A)	Male		Female	
			Number (B)	Percentage (B/A)	Number (B)	Percentage (B/A)
4.	Permanent Workers	-	-	-	-	-
5.	Other than Permanent Workers	-	-	-	-	-
6.	Total Workers (4+5)	-	-	-	-	-

## 21. Participation/ Inclusion/ Representation of Women

	Total (A)	Number of Female (B)	Percentage (B/A)
Board of Directors	7	2	28.57%
Key Management Personnel	3	-	-

## 22. Turnover rate for permanent employees and workers:

	Financial year 2023- 24			Financial year 2022-23			Financial year 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	28.24%	33%	30.62%	28.03%	0.98%	29.02%	21.01%	1.09%	22.10%
Permanent Workers	0.91%	-	0.91%	0.70%	-	0.70%	1.05%	-	1.05%

## Holding, Subsidiary and Associate Companies (including joint ventures):

### 23. (a). Names of holding/ subsidiary/ associate companies/ joint ventures

S. No.	Name of the holding/ subsidiary/ associate company/ joint venture	Indicate whether holding/ subsidiary/ associate company/ joint venture	% of shares held by listed entity*	Does the entity indicated at Column A, participate in the Business Responsibility initiatives of the entity (Yes/ No)
1.	Relan Industrial Finance Ltd.	Associate	47.12%	No
2.	Exhaust Technology Private Ltd.	Associate	50.00%	No
3.	Uddipt Mobility India Private Ltd.	Subsidiary	74.00%	No

### 24. Corporate Social Responsibility details

(i). Whether CSR is applicable as per Section 135 of Companies Act, 2013 (Yes/No)	Yes
(ii). Turnover (in Lakhs.)	2,80,926.24
(iii). Net Worth (in Lakhs.)	1,02,512.20

## Transparency and Disclosures Compliances:

### 25. Complaints/ Grievances on any of the Principles (1-9) under the National Guidelines on Responsible Business Conduct:

Stakeholder Group	Grievance Redressal Mechanism in place (Y/N) (Provide web-link of policy)	Current Financial Year 2023- 24			Previous Financial Year 2022- 23		
		Number of complaints filed	Number of complaints pending at close of year	Remarks	Number of complaints filed	Number of complaints pending at close of year	Remarks
<b>Investors (Other than shareholders)</b>	<b>Yes</b> , Investors and Shareholders may visit <a href="https://www.shardamotor.com/investor-relations/policies/">https://www.shardamotor.com/investor-relations/policies/</a> or contact the compliance officer at dedicated mail id i.e., investorrelations@shardamotor.com to file a complaint.	Nil	Nil	-	Nil	Nil	-

Stakeholder Group	Grievance Redressal Mechanism in place (Y/N) (Provide web-link of policy)	Current Financial Year 2023- 24			Previous Financial Year 2022- 23		
		Number of complaints filed	Number of complaints pending at close of year	Remarks	Number of complaints filed	Number of complaints pending at close of year	Remarks
Shareholders	Yes. The Company evaluates the status of shareholder complaints and their resolution on a regular basis. The terms of the Stakeholders Relationship Committee include, among other things, considering and addressing the Company's shareholders' grievances, such as complaints about the transfer or transmission of shares, non-receipt of the annual report, non-receipt of declared dividends, issuance of new or duplicate certificates, general meetings, and so on. Investor and Shareholders may visit <a href="https://www.shardamotor.com/investor-relations/policies/">https:// www.shardamotor.com/investor-relations/policies/</a> or contact the compliance officer at dedicated mail id i.e., <a href="mailto:investorrelations@shardamotor.com">investorrelations@shardamotor.com</a> to file a complaint	Nil	Nil	-	2	Nil	-
<b>Employees and Workers</b>	Yes. A Whistleblower policy is established alongside an Ethics helpline accessible via email at <a href="mailto:shardamotor@ethicshelpline.co.in">shardamotor@ethicshelpline.co.in</a> . Additionally, a comprehensive policy addressing the redressal of workplace sexual harassment is meticulously crafted in accordance with the Sexual Harassment of Women at Workplace Act, 2013. For detailed insights, the Whistleblower policy can be reviewed at: <a href="#">Whistleblower policy</a>	Nil	Nil	-	Nil	Nil	-
<b>Customers</b>	Yes. We consider the inputs from all our B2B (Business-to-Business) customers through a comprehensive complaint management system and active communication channels such as e-mails, in person meetings and telecommunication.	Nil	Nil	-	Nil	Nil	-

Stakeholder Group	Grievance Redressal Mechanism in place (Y/N) (Provide web-link of policy)	Current Financial Year 2023- 24			Previous Financial Year 2022- 23		
		Number of complaints filed	Number of complaints pending at close of year	Remarks	Number of complaints filed	Number of complaints pending at close of year	Remarks
<b>Value Chain Partners</b>	<b>Yes</b> , Supply chain manual and code of conduct are in place for resolving the complaints of value chain partners. The value chain partners can also contact their respective supply chain managers at the plant level to resolve their concerns.	Nil	Nil	-	Nil	Nil	-
<b>Communities</b>	Yes, the communities we engage with, can address their concerns and grievances through the Dedicated Email id: shardacrtrust@shardamotor.com	Nil	Nil	-	Nil	Nil	-

**Outlined below are the details of our Grievance Redressal Mechanism for our key stakeholders with the relevant links:**

**Investors and Shareholders-** We conduct regular evaluations of the status of shareholders’ complaints and their resolutions. The Stakeholders Relationship Committee’s terms includes, among other things, considering and addressing the grievances of the Company’s security holders, including complaints regarding the transfer or transmission of shares, non-receipt of the annual report, non-receipt of declared dividends, issuance of new or duplicate certificates, general meetings, etc. Investors and Shareholders may visit <https://www.shardamotor.com/investor-relations/policies/> or write to the compliance officer at dedicated mail id i.e., [investorrelations@shardamotor.com](mailto:investorrelations@shardamotor.com) for any grievance.

**Employees –** We have established an Internal Complaints Committee to address sexual harassment issues in accordance with the Prevention of Sexual Harassment Act of 2013, which outlines the processes to be followed in situations of sexual misconduct, as well as the channels for complaints and subsequent inquiries. We have a platform called “SHAKTI” that connects human resource managers with employees and workers and provides a safe place for communication and trust building, as well as resolving and addressing any possible problems. Employees and workers can also get extra HR-related services through ethics helpline [shardamotor@ethicshelpline.co.in](mailto:shardamotor@ethicshelpline.co.in). We have a whistle blower policy that allows reporting of any unethical conduct.

Weblink of the relevant polices:

[https://www.shardamotor.com/wp-content/uploads/2020/08/Code-for-Stakeholders\\_Sharda-Motor.pdf](https://www.shardamotor.com/wp-content/uploads/2020/08/Code-for-Stakeholders_Sharda-Motor.pdf)

<https://www.shardamotor.com/wp-content/uploads/2020/08/Whistle-Blower-Policy.pdf>

<https://www.shardamotor.com/wp-content/uploads/2020/08/Human-Rights-Policy.pdf>

**Supply chain-** Supply chain manual and code of conduct are in place for resolving the complaints of value chain partners. The value chain partners can also contact their respective supply chain managers at the plant level to resolve their concerns. To better serve our customers in terms of Quality, Cost, and Delivery (QCD), we are dedicated to reducing any hindrances that might arise. In order to accomplish this, we believe that the supply chain must be simplified in order to create systems and procedures that address customer complaints and adhere to the Zero-defect policy. We have set the following goals to help us achieve this:

- ‘A’ quality suppliers
- 100% of initial samples delivered correctly and on time
- Zero PPM strategy-incoming PM (Parts per Million)
- Zero customer complaint approach
- Zero tolerance for safety

- Zero warranty

**Communities** – Sharda Motor Industries Limited, through its Corporate Social Responsibility (CSR) arm, Sharda CSR Foundation Trust, is dedicated to making a positive impact beyond our products and services. Our CSR initiatives focus on giving back to communities through a wide range of efforts in education, healthcare, environmental conservation, and community development. We are committed to empowering communities and fostering a sustainable future through robust CSR activities. Our goal is to create a sustainable and inclusive future for all. We have established a dedicated e-mail id i.e, shardacsrtrust@shardamotor.com for reaching out the philanthropic arm of of the company

## 26. Overview of the entity’s material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No.	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of Risk, approach to adapt or mitigate	Financial Implications of the risk or the opportunity (Negative/ Positive)
1	Energy Management	Risk and Opportunity	<p><b>Risk Perspective:</b> Fluctuations in energy prices can directly impact SMIL's operating costs. Dependence on non-renewable energy sources can lead to vulnerability in the face of price volatility. Global energy supply chain disruptions, geopolitical tensions, or natural disasters can affect the availability and cost of energy resources, impacting SMIL's production and distribution processes. Governments worldwide are implementing stricter energy related regulations to address climate change and reduce greenhouse gas emissions. Non-compliance with these regulations can result in fines and legal liabilities for SMIL.</p> <p><b>Opportunity Perspective:</b> Implementing energy efficient technologies, process optimizations, and renewable energy solutions can lead to significant cost savings in the long run. Streamlining energy consumption can optimize production processes, reduce downtime, and increase overall productivity. Shifting to renewable energy sources and adopting energy-efficient practices aligns with SMIL's commitment to sustainability, enhancing its reputation among environmentally conscious customers, investors, and stakeholders.</p>	<p>Energy management involves the strategic planning, monitoring, and optimization of energy use throughout the Company's operations. The Company has adopted renewable energy sources including solar and wind power. The Company has installed automatic sensors for cutting off the electricity of heavy motors and machinery when not in use. To ensure conservation of energy, the Company has adopted energy efficient equipments. The Company aims to improve the environmental performance by adopting cleaner production methods. It promotes the use of energy efficient and environment friendly technologies and use of renewable energy.</p>	<p><b>Positive Financial Implications:</b> Implementing energy efficient technologies and practices can result in lower utility bills and decreased energy-related expenses, positively impacting SMIL's bottom line. As energy costs continue to rise, companies with efficient energy management strategies can gain a competitive edge by offering cost-competitive products and services. Attract environmentally conscious consumers and investors, positively influencing SMIL's brand value and market position.</p> <p><b>Negative Financial Implications:</b> Failing to address energy inefficiencies may lead to higher operating expenses and decreased profitability. Non-compliance with energy related regulations can result in fines, penalties, and potential damage to SMIL's reputation.</p>



S. No.	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of Risk, approach to adapt or mitigate	Financial Implications of the risk or the opportunity (Negative/ Positive)
2	Physical impacts of climate change	Risk	<p><b>Risk perspective:</b> The physical impacts of climate change present significant risks to Sharda Motor Industries Limited (SMIL) and the automotive industry. Climate change refers to long-term changes in global or regional climate patterns, which have significant implications for businesses, communities, and ecosystems. The physical impacts of climate change can directly affect SMIL's operations, facilities, supply chains, and overall business continuity. These risks include disruptions to operations and supply chains due to extreme weather events, potential shortages of critical resources like water, rising energy costs to comply with emission regulations and vulnerability of infrastructure. Climate change-induced shifts in consumer preferences and liability issues further add to the risks.</p>	<p>The Company is managing these risks by identifying and assessing the specific climate-related risks to SMIL's operations, facilities, and supply chain locations. Investing in climate-resilient infrastructure designs that can withstand extreme weather events and changing climate conditions. Diversifying Suppliers and Transportation Routes by reducing reliance on single suppliers or transportation routes that may be vulnerable to climate-related disruptions.</p> <p>Implementing water conservation measures and exploring water recycling and reuse strategies to ensure water resilience. The Company is focused on addressing climate change challenges and build resilience. For example, the Company has made several efforts to minimize its environmental impact and has shifted to alternative sources of energy, through adoption of solar and wind power. The Company ensures responsible and sustainable business conduct throughout its value chain. Furthermore, the Company has implemented various water efficient technologies to ensure conservation and responsible use of water during operations including water recycling plants and water treatment system, which has ensured recycling of water and zero liquid discharge outside plant premises.</p>	<p><b>Negative financial implications: Property Damage and Repair Costs:</b> Extreme weather events and rising sea levels can lead to physical damage to SMIL's facilities, necessitating costly repairs or replacements.</p> <p><b>Supply Chain Disruptions:</b> Climate-related disruptions to transportation routes or supplier operations can lead to delays in raw material delivery, production slowdowns, and increased costs for alternative sourcing.</p> <p><b>Increased Insurance Costs:</b> As climate change-related risks become more apparent, insurance premiums for business properties and assets may rise, impacting SMIL's operating expenses.</p> <p><b>Business Continuity Costs:</b> SMIL may incur expenses related to contingency plans and resilience measures to mitigate the impact of climate-related risks on its operations.</p>
3	Waste and Hazardous material management	Risk and Opportunity	<p><b>Risk perspective:</b> Improper waste handling and disposal can lead to environmental degradation, resulting in regulatory fines and reputational loss for the Company. Furthermore, waste management can be costly, particularly if the organisation is required to establish new systems and technologies in order to meet environmental standards. Inadequate handling of hazardous materials can lead to workplace accidents and health risks for employees,</p>	<p>The Company ensures waste management through proper disposal and recycling methods and is compliant with various environmental regulations. The Company aims for optimum utilisation of natural and manmade resources and sustainability of resources by reducing, reusing, recycling, and managing waste. The Company regularly assesses waste and hazardous material management processes, identifying areas for improvement and</p>	<p><b>Negative financial implications:</b> Poor waste management practices can lead to increased costs, fines, and legal penalties. In addition, waste management has negative cost implication due to the implementation of new systems and technologies to meet environmental regulations. This can result in short-term financial impacts such as increased capital expenditure. Accidents related to hazardous materials can lead to medical expenses, worker downtime, and</p>

S. No.	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of Risk, approach to adapt or mitigate	Financial Implications of the risk or the opportunity (Negative/ Positive)
			<p>resulting in potential liability and increased workers' compensation costs. Improper disposal or accidental release of hazardous materials can lead to environmental contamination, impacting nearby ecosystems and communities and potentially resulting in legal and financial liabilities. Compliance with strict regulations regarding the storage, handling, and disposal of hazardous materials is essential to avoid penalties and legal consequences.</p> <p><b>Opportunity perspective:</b> By minimising waste disposal costs and optimising resource utilisation, effective waste management practices can result in cost savings. Recycling waste can also lead to more cost-effective industrial processes and demonstrate environmental care. Adequate waste management may also help the organisation in meeting environmental standards while fostering great connections with the surrounding community.</p>	<p>adopting more sustainable practices and follow best practices for handling, storing, and disposing of hazardous materials, ensuring employee safety and environmental protection.</p>	<p>potential legal claims, affecting SMIL's operational costs. If hazardous materials cause environmental contamination, SMIL may incur substantial costs for environmental remediation and restoration.</p>
4	Water Resilience	Opportunity	<p><b>Opportunity perspective:</b> Focusing on water resilience can improve resource efficiency, conservation and access to shared resources. It can also prevent supply chain disruptions and address various water-related challenges. By implementing effective water management practices, the Company can reduce its exposure to water related risks, such as water scarcity and regulatory restrictions. This can help the Company to achieve more efficient use of water resources, reducing operational costs and enhancing overall business sustainability.</p>	<p>The Company has various water efficiency measures where it has implemented water-saving technologies and practices to optimize water use in manufacturing processes and facility operations including water recycling plants and water treatment system, which have ensured recycling of water and zero discharge outside plant premises. Risk assessment exercise of the Company also includes water risk assessment to identify water-related risks and vulnerabilities in SMIL's operations and supply chain. The Company also has diversified water sourcing strategies such as rainwater harvesting, water recycling, and engaging in community water management initiatives. The company has also established robust water monitoring and reporting systems to track water usage, identify inefficiencies, and demonstrate transparent</p>	<p><b>Negative financial implications:</b> Water shortages or interruptions in water supply can lead to production disruptions and increased costs to secure alternative water sources or adjust manufacturing processes. In regions with water scarcity, water prices may rise, leading to higher operating expenses for SMIL's water-intensive operations. Meeting regulatory requirements related to water usage and discharge may require investments in water-saving technologies and wastewater treatment facilities.</p> <p><b>Positive financial implications:</b> Reduced operational costs due to more efficient use of water resources, improved overall business sustainability, and the potential for new market opportunities and revenue streams through the development of innovative water-efficient products and services. Additionally, a strong</p>

S. No.	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of Risk, approach to adapt or mitigate	Financial Implications of the risk or the opportunity (Negative/ Positive)
				water stewardship to stakeholders.	reputation as a responsible and sustainable business can lead to increased customer loyalty and brand value, which can further benefit the Company financially.
5	Product design and safety	Opportunity	<p><b>Opportunity perspective:</b> Product design and safety are critical aspects of SMIL's operations. The way products are designed, manufactured, and tested can significantly impact their safety, quality, and compliance with regulations. Effective product design and safety practices can lead to enhanced customer satisfaction, brand reputation, and market competitiveness. Prioritizing product safety and quality in design can lead to products that perform well, are reliable, and meet customer expectations, enhancing overall customer satisfaction. A reputation for safe and reliable products can differentiate SMIL from competitors, attract more customers, and strengthen the company's market position. Investing in robust product design and safety can reduce the likelihood of recalls and safety incidents, leading to cost savings associated with potential liabilities and reputational damage.</p>	The Company ensures manufacturing & Supply of all its products including Complete Exhaust System and Catalytic Converter Assemblies by Protecting Environment and Enhancing Environmental Performance. The Company is committed towards manufacturing products which are safe to use and is constantly engaged in new product development technologies leading to product innovation and enhancement. The technological shifts happening in the industry in accordance with the climate change conditions have given it another opportunity to invest further in R&D initiatives, improving the designs and creating efficient and sustainable products.	<p><b>Positive financial implications:</b> A reputation for safe products can lead to increased customer loyalty, repeat purchases, and positive word-of-mouth, driving higher sales and market share. Avoiding product recalls and safety incidents can prevent significant financial losses related to recall expenses, legal fees, and brand recovery efforts. A strong focus on product safety and quality can enhance SMIL's brand value and differentiate it as a trusted and responsible automotive manufacturer.</p>
6	Responsible supply chain and material sourcing efficiency	Risk and opportunity	<p><b>Risk perspective:</b> Unethical practices in the supply chain, such as forced labour or child labour, can lead to reputational damage and legal liabilities for SMIL. Overreliance on a single supplier or sourcing materials from high-risk regions can result in supply chain disruptions due to geopolitical tensions, natural disasters, or other unforeseen events. Unsustainable material sourcing and supply chain practices can contribute to environmental degradation and increase the company's carbon footprint.</p> <p><b>Opportunity perspective:</b> Building strong relationships with responsible suppliers can lead to improved collaboration, reliability, and long-term partnerships. Working with suppliers who prioritize sustainability can</p>	The Company has proactively established a comprehensive sustainability policy and an environmental, health, and safety policy to foster sustainable sourcing practices across its entire value chain. Through the implementation of these policies, the Company prioritizes responsible sourcing, emphasizing environmental sustainability in collaboration with its value chain partners. The ultimate goal is to ensure sustainable sourcing practices while minimizing any adverse environmental impact. By adhering to its Environment & Sustainability Policy, the Company actively promotes environmental consciousness among its value chain partners. This commitment to sustainability extends to	<p><b>Negative financial implications:</b> Shifting to responsible sourcing may require identifying new suppliers and integrating them into the supply chain, which could lead to increased complexity and administrative costs. Depending on the availability and reliability of responsible suppliers, there could be a risk of supply chain disruptions, leading to production delays and potential revenue losses.</p> <p><b>Positive financial implications:</b> Efficient supply chain management and responsible material sourcing can lead to cost savings through optimized procurement, reduced waste, and improved resource utilization. A responsible supply chain reduces the risk of non-compliance, legal issues, and supply chain</p>

S. No.	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of Risk, approach to adapt or mitigate	Financial Implications of the risk or the opportunity (Negative/ Positive)
			lead to innovative solutions, such as eco-friendly materials and processes, fostering a competitive edge for SMIL. Demonstrating a responsible and ethical supply chain can enhance SMIL's reputation among customers, investors, and other stakeholders who value sustainability and corporate responsibility.	sourcing processes, wherein the Company endeavors to procure materials and resources responsibly, with a keen focus on minimizing environmental harm.	disruptions, preventing potential financial losses. Emphasizing responsible supply chain practices can make SMIL more appealing to customers and investors seeking environmentally and socially conscious partners.
7	Protection of Human Rights	Risk	<b>Risk perspective:</b> Allegations or incidents of human rights violations, whether within the company or its supply chain, can severely tarnish SMIL's reputation and impact customer trust and brand loyalty. Non-compliance with labour laws or unethical labour practices, such as forced labour or child labour, can lead to legal liabilities, reputational damage, and potential boycotts from customers and investors. Inadequate monitoring and due diligence can expose the company to supply chain risks related to human rights abuses. Discrimination or lack of diversity and inclusion may cause internal turmoil, employee dissatisfaction, and higher employee turnover.	The Company has formulated a human rights policy which extends to all its stakeholders and ensures protection and respect of human rights through non-discrimination, non-tolerance towards child labour and equal opportunities for all. Link for <a href="#">Human rights policy</a> SMIL has also implemented an effective grievance redressal mechanism to allow employees and stakeholders to raise concerns related to human rights violations. SMIL also provide training and awareness programs for employees to promote a culture of respect for human rights and ethical behaviour. The Company has implemented a supplier code of conduct that sets clear expectations for suppliers regarding human rights, labour practices, and ethical standards.	<b>Negative financial implications:</b> Violations of human rights issues can cause significant amount of regulatory and legal costs, loss of goodwill, higher employee turnover costs, also loss of investments.
8	Employee engagement and well being	Opportunity	<b>Enhanced Employee Productivity:</b> Engaged and well-supported employees are more likely to be motivated, focused, and productive, contributing to higher overall organizational efficiency. <b>Reduced Employee Turnover:</b> A positive work environment, along with support for employee wellbeing, can lead to increased employee retention, reducing recruitment and training costs. <b>Talent Attraction:</b> SMIL's reputation as a caring and employee-centric organization can attract top talent seeking a workplace that prioritizes well-being and fosters professional growth. <b>Innovation and Creativity:</b> Engaged employees tend to be more innovative	The Company, through its employee engagement initiatives, works towards encouraging its workforce. The Company understands that a motivated workforce and an avenue for individual growth of employees can directly contribute to the common objective of the Company.	<b>Positive financial implications:</b> Enhanced employee engagement results in positive workplace culture that leads to higher retention of employees', lower hiring costs, lower cost of training and development. Promoting employees' rights increases productivity and profitability.

S. No.	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of Risk, approach to adapt or mitigate	Financial Implications of the risk or the opportunity (Negative/ Positive)
			and creative, driving continuous improvement and contributing fresh ideas to the company's success.		
9	Labour practices	Opportunity	<p><b>Opportunity perspective:</b> Labour practices encompass a wide range of employment related policies and initiatives that ensure fair treatment, respect, and support for all employees within SMIL. By fostering a positive and inclusive work environment, the company can promote employee satisfaction, productivity, and overall well-being. Emphasizing responsible labour practices not only aligns with SMIL's commitment to corporate responsibility but also strengthens the organization's reputation as an employer of choice.</p>		<p><b>Positive financial implication:</b> Efficient labour management practices boosts employee productivity, lowers labour absenteeism. The increase in the employees' morale can have a direct impact on the growth and development of the Company with an increase in the revenue streams.</p>
10	Occupational health and safety	Risk	<p><b>Risk perspective:</b> Poor health and safety practices can contribute to employee dissatisfaction, low morale, reduced productivity, and high staff turnover. Such turnover can lead to increased recruitment and training costs, creating a financial burden for the Company. Ensuring employee health and safety is essential to mitigate these risks and maintain a positive work environment. Workplace accidents and injuries can lead to increased compensation claims and financial constraints on the Company. Failure to comply with occupational health and safety regulations can result in legal liabilities, non-compliances and reputational damage.</p>	<p><b>Safety training:</b> The Company provides regular and specific training to employees on safety protocols, procedures and the use of machinery and equipment.</p> <p><b>Safety Policy and Procedures:</b> The Company has developed and enforced clear safety policies and procedures to create a safe work environment.</p> <p><b>Regular equipment maintenance:</b> Regular maintenance of equipment and machinery to reduce the risk of accidents due to malfunctioning equipment.</p> <p><b>Employee involvement:</b> The Company encourages employee involvement in safety initiatives, reporting hazards, and suggesting improvements.</p>	<p><b>Positive financial implications:</b> A safe workplace can help in reducing accidents and illnesses, which leads to fewer claims, lesser insurance costs, and greater efficiency. This will keep the workforce contented and happy, which may reduce employee turnover, resulting in cost savings and enhanced profitability.</p> <p><b>Negative financial implications:</b> Potential legal obligations, increased insurance premiums, employee compensation claims, and lost productivity due to injuries or illnesses are all financial consequences of occupational health and safety concerns for SMIL. These costs can be significant and may have an impact on the Company's profitability and reputation.</p>

## Section B: Management and Process Disclosures

This section is aimed at helping businesses, demonstrate the structures, policies, and processes out in place towards adopting the NGRBC Principles and Core Elements.

We understand the significance of adhering to the principles and essential elements of the National Guidelines on Responsible Business Conduct (NGRBCs) and have taken numerous initiatives to ensure that its policies and procedures are in accordance with these guidelines. In conjunction with all stakeholders, we have developed policies and identified the authorities/committees accountable for policy implementation and effective delegation of sustainable decision-making. The Board of Directors operates at the core of corporate governance, ensuring that management serves and protects the long-term interests of all stakeholders.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and Management Processes</b>									
1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the policies, if available	The Company's policies are available for review at. <a href="https://www.shardamotor.com/investor-relations/policies/">https://www.shardamotor.com/investor-relations/policies/</a>								
2. Whether the entity has translated the policy into procedures? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/ certifications/labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Not available	Not available	Not available	Not available	Not available	Not available	Not available	Not available	International Standard for Automotive Quality Management Systems (IATF: 16949:2016)
5. Specific commitments, goals, and targets set by the entity with defined timelines, if any.	<p>We recognize the paramount importance of setting sustainability targets and objectives to tackle environmental and ethical challenges within our operations. Our commitment to this endeavor is underscored by our determination to establish well-defined goals that will enhance our environmental stewardship, social impact, and corporate governance.</p> <p>We are dedicated to minimizing our environmental footprint by championing sustainable manufacturing and procurement practices. Our focus is also on amplifying our social impact through meaningful partnerships with stakeholders.</p> <p>Our core priorities include advancing diversity, equity, and inclusion within our workplace, ensuring the well-being and safety of our employees, and fostering local communities through various initiatives. We are committed to maintaining exemplary product quality and safety standards while upholding human rights and fair labor practices across our organization and supply chain.</p> <p>To fortify our internal structures and practices, we are establishing a diverse board of directors, enhancing our financial reporting and disclosure practices, implementing robust risk management and compliance frameworks, and promoting the highest standards of ethical conduct.</p> <p><b>We are in the process of setting specific targets with defined timelines and are committed to reporting on our progress in our upcoming reports.</b></p>								
6. Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met.	<p>In this report, we provide a thorough overview of our performance in various facets of business responsibility and sustainability. While we have shared our current status, we recognize the importance of continuous improvement in these areas. As such, we are committed to setting clear and ambitious goals to guide our efforts toward a more sustainable and responsible business model. This second edition of our Business Responsibility and Sustainability report signifies a continued commitment to our journey, and we are actively engaged in refining and setting specific targets. We look forward to updating our stakeholders on our progress towards these objectives in upcoming reports.</p>								

Governance, leadership, and oversight	
7. Statement by the director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements	<p>I am delighted to present our Company's second Business Responsibility and Sustainability Report (BRSR), which highlights our unwavering dedication to environmental, social, and governance (ESG) principles. As ESG considerations increasingly shape the modern business landscape, we recognize the necessity of addressing these concerns proactively. We are confident that integrating ESG principles into our core business strategy will not only create long-term value for all stakeholders but also foster a more sustainable and inclusive future. We remain committed to ongoing advancement and are actively working on establishing new goals to propel our growth forward.</p>
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies)	Shri Ajay Relan, Managing Director (DIN: 00257584) continuously monitors the development of ESG performance and has assigned powers to the Senior Management of the organization for implementation and oversight of the business responsibility policy and procedure.
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes/No). If "Yes", provide details	<b>Ms. Iti Goyal</b> , Assistant Company Secretary and Compliance officer of the Company is appointed as BRSR head along with delegation of requisite powers of decision making as Sustainability head by the Board of Directors for addressing the issues.

**10. Details of Review of NGRBCs by the Company:**

Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any Other- please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Our board of directors and internal committee reviews all the policies annually to evaluate the accuracy, clarity, effectiveness, and comprehensiveness of all the policies. Suitable amendments are made as per the changing regulatory requirements and same is reviewed by the board as and when required.																	
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Our Company is committed to responsible business practices and is compliant to all statutory requirements applicable.																	

**11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No).**

If "Yes", provide name of the agency.

P1	P2	P3	P4	P5	P6	P7	P8	P9
No, the company has not carried out independent assessment/evaluation of the working of its policies.								

**12. If Answer to Question (1) Above is "NO", i.e., not all Principles are covered by a Policy, reasons to be stated:**

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	Not applicable.								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any Other Reason (please specify)									



## Section C: Principle Wise Performance Disclosure

Entity demonstrates their performance in integrating the Principles and Core Elements with key processes and decisions.

**Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent, and Accountable**

### Essential Indicators

#### 1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year 2023- 24:

Segment	Total number of training and awareness programs held	Topics/ Principles covered under training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	9	<ul style="list-style-type: none"> <li>Ethical leadership and corporate Governance</li> </ul>	100%
Key Managerial Personnel	9	<ul style="list-style-type: none"> <li>Compliance training</li> <li>Risk Management and ethical decision making</li> <li>Stakeholder engagement strategies</li> <li>DEI Training</li> <li>Code of conduct</li> <li>Outlook of auto component sector</li> <li>Financial and business highlights, including industry performance.</li> <li>Periodical familiarization programmes as per Companies Act and Listing regulations.</li> </ul>	75%
Employees other than BoD and KMPs	143	<ul style="list-style-type: none"> <li>5S</li> <li>7 QC Tools</li> <li>ERP Navision Advance</li> <li>MS-Excel</li> <li>APQP</li> <li>Basics of PLC hydraulics and PLC programmimg</li> <li>DWM</li> <li>Welding Process</li> <li>FMEA sub elements</li> <li>Hydraulics</li> <li>IATF Awareness</li> <li>Professional etiquettes at work place</li> <li>Automotive Exhaust Emission Regulation</li> <li>BS 6.2 basic information</li> <li>Exhaust Manufacturing Process Training</li> <li>Kaizen</li> <li>MSA SPC</li> <li>Team Building</li> <li>PPAP</li> <li>Supplier Selection</li> <li>TPM</li> <li>Robot Welding &amp; Teaching</li> </ul>	85%



Segment	Total number of training and awareness programs held	Topics/ Principles covered under training and its impact	%age of persons in respective category covered by the awareness programmes
		<ul style="list-style-type: none"> <li>Occupational Health and Safety assessment</li> <li>POSH</li> <li>Insider trading</li> </ul>	
Workers	235	<ul style="list-style-type: none"> <li>SKS Welding Parameter Process</li> <li>Design of Experiments</li> <li>Industrial Safety</li> <li>Health &amp; Hygiene</li> <li>First Aid Training</li> <li>Robotic Operations</li> <li>Welding Process</li> </ul>	98%

**2. Details of fines/ penalties/ punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors/ KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format:**

Monetary					
	NGRBC Principle	Name of the Regulatory/ enforcement agencies/ judicial institutions	Amount (in INR.)	Brief of Case	Has an appeal been preferred? (yes/ No)
<b>Penalty/ Fine</b>	In the current year, our company, its directors, and key management personnel (KMPs) have not been subject to any fines, penalties, compounding fees, or settlement amounts resulting from proceedings with regulators, law enforcement agencies, or judicial institutions.				
<b>Settlement</b>					
<b>Compounding Fee</b>					
Non-Monetary					
	NGRBC Principle	Name of the Regulatory/ enforcement agencies/ judicial institutions	Amount (in INR.)	Brief of Case	Has an appeal been preferred? (yes/ No)
<b>Imprisonment</b>	In the current year, our company, its directors, and key management personnel (KMPs) have not been subject to any fines, penalties, compounding fees, or settlement amounts resulting from proceedings with regulators, law enforcement agencies, or judicial institutions.				
<b>Punishment</b>					

**3. Of the instances disclosed in Question 2, above detail of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not applicable, as the company has not encountered any instances requiring penalties, fines, settlements, compounding fees, imprisonment, or other forms of punishment during the financial year 2023-24.	

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide web-link to the policy.**

Although we do not have a separate anti-corruption or anti-bribery policy at this time, our [Whistleblower Policy](#) and [Code of Conduct](#) are designed with robust anti-bribery and anti-corruption measures. Together, they offer thorough guidance and support for maintaining the highest standards of ethical conduct. These documents delineate principles and guidelines that emphasize on ethics, accountability, and the prevention of misconduct. Adherence with these standards is mandatory for all employees, senior management, and stakeholders including all employees, on full-time or part-time employment with the Company, with permanent, probationary, trainee, retainer, temporary or contractual appointment, independent contractors and Consultants. Additionally, our Code of Conduct for Stakeholders explicitly forbids any corrupt business practices, strictly prohibiting the receipt or offering of bribes in any form to influence business decisions, conduct transactions, or gain unfair advantages.

**5. Number of Directors/ KMPs/ employees/ workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
Directors	-	-
Key Managerial Personnel (KMPs)	-	-
Employees	-	-
Workers	-	-

**6. Details of complaints with regard to conflict of interest:**

	Current Financial Year 2023- 24		Previous Financial Year 2022- 23	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	-	-	-	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	-	-	-	-

**7. Provide details of any corrective action taken or underway on issues related to fines/ penalties/ action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

Not applicable, as the company has not encountered any instances of corruption and conflict of interest during the financial year 2023-24.

**8. Number of days of accounts payables ((Accounts payable\*365)/ Cost of goods/ services procured) in the following format:**

	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
Number of days of accounts payables	85	84

## 9. Openness of Business:

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
<b>Concentration of Purchases</b>	a. Purchases from trading houses as % of the total purchases	Not applicable, as we procure our raw materials from mills and manufacturers, rather than through trading houses.	
	b. Number of trading houses where purchases are made from		
	c. Purchases from top 10 trading houses as % of total purchases from trading houses		
<b>Concentration of Sales</b>	a. Sales to dealers/ distributors as % of total sales	Not applicable, as we sell our products directly to Original Equipment Manufacturers (OEMs), who then integrate our components into their final products. We do not engage in sales through dealers or distributors, ensuring a direct and streamlined relationship with our clients.	
	b. Number of dealers/ distributors to whom sales are made		
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers/ distributors		
<b>Share of RPTs in</b>	a. Purchases (Purchases with related parties/ Total Purchases)	Not applicable, as there are no related party transactions.	
	b. Sales (Sales to related parties/ Total Sales)		
	c. Loans & advances (Loans & advances given to related parties/ Total loans & advances)		
	d. Investments (Investments in related parties/ Total Investments made)		

### Leadership Indicators

#### 1. Awareness programmes conducted for the value chain partners on any of the principles during the financial year 2023- 24:

Total number of awareness programmes held	Topics/ Principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
By partnering with our suppliers to elevate their sustainability practices, we contribute to broader positive change across industries and sectors. Although we do not conduct formal awareness sessions, we actively share insights and knowledge with our value chain partners. This ongoing dialogue supports our commitment to the NGRBC principles and promotes a deeper understanding of sustainability and responsible sourcing throughout our network.		

**2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No). If “Yes”, provide details of the same.**

Yes, we have a [Code of Conduct](#) in place to maintain the high standards of transparency, business conduct ethics, corporate culture and the values. The principles outlined in the Code establish comprehensive standards of compliance and ethics, aligning with the requirements set forth in the listing agreements with the stock exchanges where the company’s securities are traded. It is imperative that all board members and senior management proactively avoid situations where personal interests might conflict with the company's interests. Any actual or potential conflicts must be promptly disclosed to the board to ensure proper guidance and appropriate action.

**Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe.**

**Essential Indicators**

**1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	<b>Current Financial Year 2023- 24</b>	<b>Previous Financial Year 2022- 23</b>	<b>Details of improvements in environmental and social impacts</b>
R&D	100%	100%	SMIL specializes in the manufacturing of advanced emission control technologies, including DOCs, DPFs, SCRs, LNTs, TWCs, and GPFs. Our product development efforts are instrumental in achieving BS6 and BS6.2 standards, key government initiatives aimed at enhancing environmental sustainability and air quality. These emission norms play a crucial role in reducing respiratory diseases and improving public health. Some of our flagship products developed in line with these initiatives include: <ol style="list-style-type: none"> <li>1. Lean NOx Trap (LNT) - It can control NOx emissions from diesel engines vehicles</li> <li>2. Diesel particulate filters (DPF) - It captures the particle emissions through a combination of filtration mechanisms in diesel engines vehicles</li> <li>3. Selective Catalytic reduction System (SCR), to control the NOx emissions from diesel engine vehicles</li> <li>4. Diesel Oxidation Catalyst to control CO and HC from diesel engine vehicles</li> <li>5. Gasoline Particulate filters (GPF), to reduce particle number emissions from GDI gasoline engine vehicles</li> <li>6. Three Way Catalyst (TWC) to control non-methane total hydrocarbons and simultaneous conversion of the three criteria pollutants - HC, CO, and NOx</li> </ol>
Capex	47.14%	53.95%	

All research and development expenditures were strategically directed towards enhancing product features with the intention of creating a significant positive impact on both the environment and society. This commitment to excellence has resulted in the MWC plant being honored with the “**Supplier Quality Performance Award**” from Ashok Leyland for the fiscal year 2023-2024, in recognition of achieving an impeccable zero parts per million (PPM) defect rate.

**2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No).  
b. If “Yes”, what percentage of inputs were sourced sustainability?**

Yes, as a market leader in manufacturing of Exhaust System, Catalytic Converter, Independent Suspension, Soft Top Canopies, and Pressed part- White goods products, SMIL has a unique opportunity to act as a catalyst within the supply chain. Governed by the [sustainability policy](#), we integrate sustainability considerations into all business decisions, functions and work processes. Furthermore, with the aim of creating value and contributing to sustainable development the Company procures goods and services from local and small producers, including communities surrounding the place of work, to improve the capacity and capability of local and small vendors. We have developed and implemented procurement practices in line with automotive industry standards and require our suppliers to also establish policies, management systems, and due diligence measures to adequately address risks, which we are ensuring through our purchase agreement and PO. Our suppliers comply with our [Code of Conduct for stakeholders](#) with all applicable laws and regulations, forming contractual obligations to SMIL.

Our Sustainability requirements form an important part of the sourcing process, and we evaluate new and existing suppliers’ performance. The suppliers are re-evaluated as a routine, once every 3 years, or as required.

For the year 2023-24, our sustainable procurement stands at 72.77%. We have sourced materials of Rs 155 Crore from MSME and small vendors, Rs 1697 Crore within state and Rs 297 Crore from other states.

**3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life for:**

- a. Plastics (including packaging)
- b. E-waste
- c. Hazardous waste
- d. Other waste

We actively partner with our vendors to minimize the environmental impact of our operations. Our dedication to sustainability is evident in our comprehensive efforts to reduce packaging waste across our supply chain. By prioritizing the use of reusable trolleys, we effectively eliminate the need for packaging material reclamation. Since our goods are transported using these trolleys, we do not generate much packaging waste. Additionally, our vendors do not keep the trolleys; instead, they return them to us, ensuring their continued reuse.

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities (Yes/No).**

**If “Yes”, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Board?**

**If “Not”, provide steps taken to address the same.**

At present, Extended Producer Responsibility (EPR) regulations do not apply to our business operations.

**Leadership Indicators**

**1. Has the entity conducted Life Cycle Perspective/ Assessment (LCA) for any of its products (for manufacturing industries) or for its services (for service industry)? If “Yes”, provide details in the following format:**

NIC Code	Name of product/ service	% of Total Turnover contributed	Boundary for which the Life cycle perspective/ assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If “Yes”, provide web-link
Although we fully acknowledge the vital significance of this initiative, we have not yet completed a thorough life cycle assessment of our products. Nonetheless, our steadfast dedication to upholding sustainable business practices remains unwavering.					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/ services, as identified in the Life Cycle Perspective/ Assessments (LCA) or through any other means, briefly describe the same along with action-taken to mitigate the same.

Name of Product/ Service	Description of the risk/ concern	Action Taken
Currently, we do not conduct Life Cycle Assessments (LCA) or similar evaluations. As a result, we have not identified any significant social or environmental concerns or risks arising from the production or disposal of our products and services. We remain committed to sustainability and will continue to seek ways to enhance our practices and address potential issues as they arise.		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
-		

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	Current Financial Year 2023- 24			Previous Financial Year 2022- 23		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	-	-	2 Tons	-	-
E-Waste	-	-	-	-	-	-
Hazardous Waste	-	-	-	-	-	400 L
Other Waste	-	-	-	-	8 Tons	-

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category

Indicate Product Category	Reclaimed products and their packaging materials as % total products sold in respective category
-	

## Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.

### Essential Indicators

1. a. Details of measures for the well-being of Employees:

Category	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	655	655	100%	655	100%	-	-	655	100%	-	-
Female	24	24	100%	24	100%	24	100%	-	-	-	-
Total	<b>679</b>	<b>679</b>	100%	<b>679</b>	100%	<b>24</b>	<b>3.53%</b>	<b>655</b>	96.46%	-	-

Category	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Other than Permanent Employees											
Male	119	119	100%	119	100%	-	-	119	100%	-	-
Female	2	2	100%	2	100%	2	100%	-	-	-	-
Total	121	121	100%	121	100%	2	1.65%	119	98.35%	-	-

### 1. b. Details of measures for the well-being of Workers:

Category	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent Workers</b>											
Male	234	234	100%	234	100%	-	-	234	100%	-	-
Female	4	4	100%	4	100%	4	100%	-	-	-	-
Total	238	238	100%	238	100%	4	1.68%	234	98.32%	-	-
<b>Other than Permanent Workers</b>											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

### 1. c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format :

	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
Cost incurred on well-being measures as a % of total revenue of the company	0.06	0.04

### 2. Details of retirement benefits, for Current financial year 2023- 24 and Previous financial year 2022- 23

Benefits	Current Financial Year 2023- 24			Previous Financial Year 2022- 23		
	No. of employees covered as % of total employees	No. of workers covered as % of total workers	Deducted and Deposited with the authority (Yes/ No/ NA)	No. of employees covered as % of total employees	No. of workers covered as % of total workers	Deducted and Deposited with the authority (Yes/ No/ NA)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	16.36%	1.04%	Yes	16.8%	0.7%	Yes

### 3. Accessibility of Workplaces

**Are the premises/ offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

**If “Not”, then whether any steps are being taken by the entity in this regard.**

Our premises are fully accessible to employees, workers, and visitors with disabilities, in compliance with the Rights of Persons with Disabilities Act 2016. We are committed to offering comprehensive assistance to such individuals whenever needed. Our goal is to foster a welcoming and accessible environment for everyone, and we are continually working to enhance our inclusive accessibility measures. The Company is resolutely dedicated to cultivating an environment that upholds equality and accessibility for all.



**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, please provide the web-link of the policy.**

Our comprehensive HR Manual and Code of Conduct incorporate our Equal Opportunity Policy, affirming our commitment to fairness and non-discrimination. We are dedicated to treating all employees and workers equitably, regardless of race, gender, religion, ethnicity, color, age, disability, or other characteristics, as explicitly stated in our Code of Conduct. We ensure that employment opportunities are awarded based on experience, merit, and other objective criteria, fostering a truly inclusive and unbiased workplace. The same can be read on page number 8 & 9 of our [Code of conduct-Stakeholders](#).

**5. Return to work and Retention rates of permanent employees and workers that took parental leave for financial year 2023- 24.**

Gender	Permanent Employees		Permanent Workers	
	Return to Work Rate	Retention Rate	Return to Work Rate	Retention Rate
Male	100%	-	100%	-
Female	NA*	-	NA*	-
Total	100%	-	100%	-

\*Not applicable, as there were no instances of absence from work due to maternity leave.

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If “Yes”, give details of the mechanism in brief:**

<b>Permanent Workers</b>	<p>Yes, we uphold the rights and dignity of every employee and worker, ensuring a respectful and secure work environment. Our commitment is to create a workplace free from abuse, intimidation, and prejudice, safeguarding fundamental rights and preventing conflicts arising from such issues.</p> <p>In alignment with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013, we have instituted a comprehensive Policy on Redressal of Sexual Harassment at the Workplace, available on page 9 of our <a href="#">code of conduct</a>.</p> <p>Employees are encouraged to report any concerns to their manager, who will then direct the matter to the Redressal Committee or Internal Complaints Committee for resolution. Additionally, the investigation process can be viewed in our <a href="#">Whistleblower Policy</a>.</p> <p>To further support ethical practices, we have established an Ethics Helpline, managed by an external agency. This service offers employees a confidential and anonymous platform to report ethical concerns or seek guidance on ethical issues within our Company. Any stakeholder who has a concern or question about legal compliance or ethics, the Code encourages to seek guidance from the Ethics Helpline resources, Phone 18001030269 or can write their concern at <a href="mailto:shardamotor@ethicshelpline.co.in">shardamotor@ethicshelpline.co.in</a> or visit the portal <a href="http://www.shardamotor.ethicshelpline.in/">http://www.shardamotor.ethicshelpline.in/</a></p>
<b>Other than Permanent Workers</b>	
<b>Permanent Employees</b>	
<b>Other than Permanent Employees</b>	



**7. Membership of employees and workers in association(s) or Unions recognized by the listed entity:**

Category	Current Financial Year 2023- 24			Previous Financial Year 2022- 23		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of Association(s) or Unions. (B)	Percentage (%) (B/A)	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of Association(s) or Unions. (B)	Percentage (%) (B/A)
Total Permanent Employees	679	-	-	646	-	-
Male	655	-	-	622	-	-
Female	24	-	-	24	-	-
Total Permanent Workers	238	234	98.32%	287	285	99.3%
Male	234	234	100%	286	284	99.3%
Female	4	0	0	1	1	100%

**8 (a) Details of training given to employees and workers on “Health and Safety Measures”**

Category	Current Financial Year 2023- 24			Previous Financial Year 2022- 23		
	Total (A)	Number (B)	Percentage (%) (B/A)	Total (C)	Number (D)	Percentage (%) (D/C)
<b>Employees</b>						
Male	774	774	100%	622	622	100%
Female	26	26	100%	24	24	100%
Total	<b>800</b>	<b>800</b>	100%	<b>646</b>	<b>646</b>	<b>100%</b>
<b>Workers</b>						
Male	2439	2439	100%	286	286	100%
Female	61	61	100%	1	1	100%
Total	<b>2500</b>	<b>2500</b>	100%	<b>287</b>	<b>287</b>	100%

**(b) Details of training given to employees and workers on “Skill Upgradation”**

Category	Current Financial Year 2023- 24			Previous Financial Year 2022- 23		
	Total (A)	Number (B)	Percentage (%) (B/A)	Total (C)	Number (D)	Percentage (%) (D/C)
<b>Employees</b>						
Male	774	774	100%	622	622	100%
Female	26	26	100%	24	24	100%
Total	<b>800</b>	<b>800</b>	<b>100%</b>	<b>646</b>	<b>646</b>	<b>100%</b>
<b>Workers</b>						
Male	2439	2439	100%	286	286	100%
Female	61	61	100%	1	1	100%
Total	<b>2500</b>	<b>2500</b>	<b>100%</b>	<b>287</b>	<b>287</b>	<b>100%</b>

## 9. Details of Performance and Career Development reviews of employees and workers:

Category	Current Financial Year 2023- 24			Previous Financial Year 2022- 23		
	Total (A)	Number (B)	Percentage (%) (B/A)	Total (C)	Number (D)	Percentage (%) (D/C)
<b>Employees</b>						
Male	774	488	63.05	622	481	77.33%
Female	26	23	88.46	24	18	75%
Total	800	<b>511</b>	63.88	<b>646</b>	<b>499</b>	<b>77.2%</b>
<b>Workers</b>						
Male	During the fiscal year 2023-24, we focused on addressing worker progress through our comprehensive union agreement, which is evaluated every three years. Additionally, we ensure that any updates or improvements are in alignment with the latest amendments to labour laws issued by the government, demonstrating our commitment to legal compliance and worker development.					
Female						
Total						

## 10. Health and Safety Management System:

<p><b>a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No)</b></p> <p>If “Yes”, then coverage of the system.</p>	<p>Yes, the health, safety, and well-being of our workforce is of paramount importance to us.</p> <p>We are committed to minimizing workplace accidents and enhancing the mental and physical well-being of our employees and workers through our comprehensive health and safety management system. We regularly conduct risk assessments of all our facilities and operations, accompanied by thorough evaluations and inspections.</p> <p>The company also promotes consultation and participation of its workforce in EHS activities through safety committee, which ensures communication of health and safety policies to the workforce, thus promoting the EHS culture.</p> <p>In addition to extensive safety training and awareness sessions on health and safety, the company also monitors the effectiveness of the EHS system, ensures compliance obligations and other legal requirements to improve the EHS system to ensure the highest standards of workplace safety.</p>
<p><b>b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis of the entity?</b></p>	<p>We have successfully implemented a robust safety management system that integrates Hazard Identification and Risk Assessment (HIRA) with regular safety inspections across our facilities. To protect our workforce, we have installed state-of-the-art exhaust systems designed to manage welding fumes and ensure optimal ventilation, providing a continuous flow of fresh air. Our dedicated safety officers conduct daily inspections to promptly detect and address any unsafe practices or conditions, ensuring immediate corrective actions. Additionally, we maintain a rigorous safety review process that continually assesses and enhances our safety protocols, fostering a safer and healthier work environment for all employees.</p>
<p><b>c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks? (Yes/ No)</b></p>	<p>Yes, the Company has established clear and effective procedures for workers to report any safety-related incidents or hazards. Workers are encouraged to promptly communicate any concerns to their respective plant heads. Subsequently, the plant heads collaborate with department heads to swiftly implement appropriate measures. These actions are designed to eliminate or mitigate health and safety risks, underscoring our commitment to maintaining a secure work environment.</p>

	<p>Additionally, the Company actively promotes an open culture where workers are encouraged to report hazards and address concerns during central department safety meetings and safety committee gatherings. This approach fosters a collaborative atmosphere and reinforces our collective responsibility for ensuring workplace safety.</p>
<p><b>d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services? (Yes/No)</b></p>	<p>Yes, our employees and workers have access to an extensive range of non-occupational medical and healthcare services. Within our facilities, we ensure immediate availability of first aid resources, including regular visits from a physician. As part of our dedication to employee well-being, we provide a comprehensive group mediclaim policy that covers a broad spectrum of medical needs, underscoring our commitment to safeguarding their health.</p> <p>Additionally, our workers benefit from the Employee State Insurance Corporation (ESIC) program, which ensures they receive thorough medical and healthcare services. To further support the health and wellness of our workforce, we advocate a variety of wellness initiatives, including routine health check-ups, screenings, and preventive measures, empowering our employees to maintain their health.</p> <p>In our ongoing commitment to accessible medical services, we have partnered with local healthcare providers. These clinics offer a wide range of non-occupational healthcare services, including general medical consultations, preventive care, vaccinations, and treatment for common illnesses and injuries. They are also equipped to facilitate referrals to specialists or hospitals for any advanced medical attention needed. This comprehensive approach reflects our steadfast commitment to prioritizing the health and well-being of our esteemed employees and workers.</p>

**11. Details of safety related incidents, in the following format:**

Safety Incidents/ Number	Category	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
<b>Lost Time Injury Frequency Rate (LTIFR)</b> (per one million-person hours worked)	<b>Employees</b>	-	-
	Workers	0.34	0.36
Total recordable work-related injuries	Employees	-	-
	Workers	-	-
Number of fatalities	Employees	-	-
	Workers	-	-
<b>High consequence work-related injury or ill-health</b> (excluding fatalities)	<b>Employees</b>	-	-
	Workers	-	-

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

We firmly believe that a secure and healthy workspace is vital for the well-being, productivity, and holistic development of every employee. To achieve this, we have established comprehensive safety measures and guidelines that adhere to regional laws and industry best practices. Our regulations encompass emergency procedures, evacuation plans, the proper use of personal protective equipment (PPE), and the safe handling of hazardous materials.

Moreover, we conduct regular risk assessments to identify potential safety hazards in the workplace. These evaluations inform the preventive actions and controls necessary to mitigate risks to employees'

health and safety. Our training programs equip employees with essential knowledge on workplace safety measures, hazard identification, proper equipment usage, and emergency response protocols. Regular safety drills and awareness campaigns further reinforce these practices. Collectively, these initiatives contribute to fostering a cohesive safety culture within our organization.

**13. Number of complaints on the following made by employees and workers:**

	Current Financial Year 2023- 24			Previous Financial Year 2022- 23		
	Filed	Pending Resolution at end of year	Remark	Filed	Pending Resolution at end of year	Remark
Working Conditions	-	-	All complaints filed throughout the year were meticulously addressed and resolved.	-	-	-
Health and Safety	-	-	-	-	-	-

**14. Assessment for the Year (2023- 24):**

	% of plants and offices that were assessed (by entity or statutory authorities or third party)
Health and Safety Practices	100%
Working Conditions	100%

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risk/ concerns arising from assessment of health and safety practices and working conditions.**

During the financial year 2023-24 there were no concerns involving health and safety and working conditions. However, we undertake exhaustive investigations to ascertain the root causes and contributing factors underlying safety-related incidents. Informed by our findings, we implement requisite corrective measures, which may encompass process refinements, equipment enhancements, supplemental training, and the augmentation of safety protocols.

**Leadership Indicators**

**1. Does the entity extend any life insurance or compensatory package in the event of death of (A). Employees; and (B). Workers (Yes/No). Provide detail.**

Yes, we maintain a comprehensive gratuity policy through LIC for all employees who have served a minimum of five years in the unfortunate event of their demise. Furthermore, all our employees are covered under a Group Personal Accident policy, which provides compensation to the employee or their beneficiaries in case of death or any unforeseen circumstance. Additionally, all our workers are safeguarded under the ESIC Policy/Employee Deposit Linked Insurance, which serves as a compensatory framework in the event of death or any unpredictable occurrence.

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

In accordance with our Supplier Code of Business Conduct, a fundamental element of the Supplier Manual, "All supplier personnel are expected to rigorously adhere to and comply with all pertinent laws and regulations, both in their literal and intended interpretations, across every jurisdiction in which they operate."

To ensure thorough adherence, we conduct comprehensive compliance assessments for our value chain partners, guaranteeing the accurate deduction and payment of statutory obligations. Additionally, we perform monthly compliance audits and review proof of remittance for contributions such as PF (Provident Fund) and ESI (Employee State Insurance), among other statutory dues.

3. Provide the number of employees/ workers having suffered high consequence work-related injury/ ill-health/ fatalities (as reported in Qs. 11 of Essential Indicators above), who have been/ are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total Number of affected employees/ workers		No. of employees/ workers that are rehabilitated or whose family member have been placed in suitable employment	
	Financial year 2023- 24	Financial year 2022- 23	Financial year 2023- 24	Financial year 2022- 23
Employees	-	-	-	-
Workers	-	-	-	-

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes, retired employees often bring invaluable expertise, given their deep familiarity with the organization, its processes, and industry-specific knowledge. We continue to leverage their experience by engaging them as consultants, where their insights provide specialized guidance, direction, and problem-solving for specific projects or challenges. Additionally, employees are encouraged to consult with their managers and HR for advice on career path exploration, development opportunities, internal job postings, and succession planning.

5. Details on assessment of value chain partners (financial year 2023- 24):

	% of value chain partners (by value of business done with such partners) that were assessed
Health and Safety Practices	82.82%
Working Conditions	82.82%

6. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from assessments of health and safety practices and working conditions of value chain partners.

No issues were identified that necessitated corrective actions.

## Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders.

### Essential Indicators

1. Describe the process for identifying key stakeholder groups of the entity.

To uphold trust and ensure transparency through effective governance, we prioritize cultivating strong relationships with stakeholders and adhere to a rigorous procedure for their identification, encompassing both internal and external entities.

Our methodical approach involves mapping both internal and external stakeholders to understand who is impacted by or interested in our activities. Internally, we identify key personnel, including employees, managers, and board members. Externally, we recognize groups such as customers, suppliers, investors, and specific communities. Stakeholders are then prioritized based on their influence and the impact of our activities on them. This meticulous process enables us to address the most significant sustainability challenges and opportunities by engaging thoughtfully with the most relevant stakeholders.

Our primary stakeholders include employees, investors, suppliers, customers, local communities, and governmental authorities. We are dedicated to maintaining open and ongoing communication with

these groups to ensure their perspectives are considered and their concerns are addressed swiftly. Our commitment is to drive sustainable growth through robust and enduring stakeholder relationships.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Identified as Vulnerable or Marginalized Group (Yes/No)	Channels of Communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during each engagement
Investors and Shareholders	No	In person meetings, Website, Annual reports, Press release, Investor Relations team, Annual general meetings, Investor newsletters, Email, tele-communication and Conferences	Annually once in Annual General Meeting, Quarterly Investor call (Analyst meet/Earning call) and on Need basis	Discussing financial performance, new products and initiatives, earnings reporting, any other concerns.
Employees and Workers	No	E-mail, Internal portal and Newsletters	Daily, weekly	Employee safety, professional and career development, well-being, training, and awareness.
Customers	No	Website, Email and Tele communication, Feedback surveys and SMS	Need based	Long term product improvements, concerns and feedbacks.
Local Communities	Yes	Community events and meetings and CSR programs	Need based	Various CSR interventions.
Suppliers and partners	No	Website, Email and Tele communication	Need based	Process feedback, cost optimization and sharing concerns if any.
Government and Regulators	No	Official letters or correspondence, Email, In person meetings, Website, Trade and industry associations	Need based	Compliance Checks and other regulatory requirements.

**Leadership Indicators**

**1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

Stakeholder consultation endeavors to cultivate relationships grounded in mutual trust and mutual benefit, facilitating the delineation of our strategic priorities. We have dedicated departments tasked with conducting effective consultations with identified stakeholders. While the board of directors themselves do not directly participate in these consultations, they ensure that requisite enhancements are implemented based on the consultations and recommendations received.

**2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topic? (Yes/No)**

**If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, our operations place a high priority on addressing and protecting stakeholders' interests and concerns when identifying material issues that are important to the company. In this context, stakeholder consultation is essential. By keeping open lines of communication with stakeholders, we make sure their opinions are taken into account and brought to the board's attention for prompt integration of relevant input. Consultations on social and environmental issues are especially important because they provide insightful information, a range of viewpoints, help identify and prioritize pertinent issues, reduce risks, support informed decision-making, cultivate positive relationships and trust, and improve sustainability performance and reputation.

### 3. Provide detail of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

We actively involve marginalized and vulnerable groups through the company's compassionate arm, the Sharda CSR Foundation Trust. The trust is committed to funding a wide range of projects and activities, including building public clinics and ambulance services, setting up health camps and blood donation drives, and advancing education by donating stationery and improving the facilities of low-income government schools. Additionally, we place a high priority on improving the lives of people living in impoverished rural areas by organizing campaigns against pollution, plantation drives, and the distribution of necessities for daily survival.

## Principle 5: Businesses should respect and promote human rights.

### Essential Indicators

#### 1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	Current Financial Year 2023- 24			Previous Financial Year 2022- 23		
	Total (A)	Number (B)	Percentage (%) (B/A)	Total (C)	Number (D)	Percentage (%) (D/C)
<b>Employees</b>						
Permanent	679	657	96.76%	646	646	100%
Other than permanent	121	119	98.35%	-	-	-
Total Employees	800	776	97%	646	646	100%
<b>Workers</b>						
Permanent	238	233	97.90%	287	-	-
Other than permanent	2262	2257	99.78%	2363	-	-
Total Workers	2500	2490	99.60%	2650	-	-

#### 2. Details of minimum wages paid to employees and workers, in the following format:

Category	Current Financial Year 2023- 24					Previous Financial Year 2022- 23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (F/D)
<b>Employees</b>										
Permanent	679	-	-	679	100%	646	-	-	646	100%
Male	655	-	-	655	100%	622	-	-	622	100%
Female	24	-	-	24	100%	24	-	-	24	100%
Other than Permanent	121	-	-	121	100%	-	-	-	-	-
Male	119	-	-	119	100%	-	-	-	-	-
Female	2	-	-	2	100%	-	-	-	-	-
<b>Workers</b>										
Permanent	238	-	-	238	100%	287	-	-	287	100%
Male	234	-	-	234	100%	286	-	-	286	100%
Female	4	-	-	4	100%	1	-	-	1	100%
Other than Permanent	2261	-	-	2261	100%	2363	-	-	2363	100%
Male	2205	-	-	2205	100%	2342	-	-	2342	100%
Female	56	-	-	56	100%	21	-	-	21	100%



**3. Details of remuneration/ salary/ wages in the following format for financial year 2023- 24:**

**a. Median remuneration/ wages:**

	Male		Female	
	Number	Median salary/ wage of respective category (in Lakhs)#	Number	Median salary/ wage of respective category (in Lakhs)#
Board of Directors (BoD)	2	519	2	-
Key Managerial Personnel	4	115.80	-	-
Employees other than BoD and KMP (Permanent)	857	4.86	28	4.75
Workers (Permanent)	293	4.46	1	5.83

**b. Gross wages paid to females as % of total wages paid by the entity:**

	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
Gross wages paid to females as % of total wages (permanent employees and worker)	2.23%	2.15%

**4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes, we have established an Internal Complaints Committee to address concerns related to sexual harassment in accordance with the Prevention of Sexual Harassment (POSH) Act, 2013. This committee is responsible for implementing procedures for handling cases of sexual misconduct, as well as managing complaint redressal and conducting inquiries.

In addition, we operate a system known as "SHAKTI," which fosters a secure and transparent communication channel between human resource managers and employees. This platform is designed to build trust and address any potential concerns with respect to their rights (including Human Rights) effectively. Furthermore, our ethics helpline provides employees and workers with an additional avenue to report issues or seek guidance regarding workplace safety and business conduct.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

The Company is dedicated to preventing human rights issues and violations through its comprehensive [Human Rights Policy](#). We ensure adherence to this policy by implementing an effective grievance redressal mechanism, which is meticulously monitored by our HR department across all plant locations. Employees and workers have 24/7 access to raise concerns or grievances anonymously.

We also have a [Whistleblower Policy](#) that outlines the guidelines and procedures for reporting any incidents of misconduct or unethical behavior. Additionally, our Ethics Helpline offers all employees a confidential and secure channel to report ethical concerns or seek guidance on ethical issues. Furthermore, the investigation procedure can be read in detail on the weblink of the whistleblower policy.



**6. Number of complaints on the following made by employees and workers:**

	Current Financial Year 2023- 24			Previous Financial Year 2022- 23		
	Filed during the year	Pending resolution at end of year	Remark	Filed during the year	Pending resolution at end of year	Remark
Sexual Harassment	-	-	-	-	-	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour/ Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-

**7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 in the following format:**

	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	-	-
Complaints on POSH as a % of female employees / workers	-	-
Complaints on POSH upheld	-	-

**8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

At Sharda Motor Industries Limited, we uphold and safeguard the dignity and rights of our employees by maintaining a workplace free from any form of discrimination or harassment. We are committed to ensuring a safe and equitable environment where all employees have access to equal opportunities.

While we have not received any complaints related to sexual harassment, we are proactive in preventing such issues. Our Internal Complaints Committee is available to all employees for addressing any concerns or grievances, and we are dedicated to ensuring that all issues are resolved effectively and appropriately. The detailed information can be read on page number 8 of our [Code of conduct-Stakeholders](#).

**9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, we have established a comprehensive [Human Rights Policy](#) that extends across the group, including our joint ventures, suppliers, and contractors. This policy has been implemented following extensive consultations with all relevant parties.

**10. Assessment for the financial year 2023- 24:**

	% of plants and offices that were assessed (by entity or statutory authorities or third parties) *
Child Labour	100%
Forced/ Involuntary Labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%

**10. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Qs. 10, above.**

No risks or concerns were identified as a result of the assessments conducted at our plants and offices.

**Leadership Indicators**

**1. Details of a business process being modified/ introduced because of addressing human rights grievances/complaints.**

The Company has not received any complaints related to human rights. We adhere to all relevant legislations that address human rights issues, including the prevention of child labor, promotion of women’s empowerment, and prohibition of discrimination. Additionally, we actively raise awareness of these rights among our vendors and throughout our value chain, strongly discouraging any form of abuse. Our Whistleblower Policy provides all stakeholders with a confidential mechanism to report any instances of human rights violations.

**2. Details of the scope and coverage of any Human Rights due diligence conducted.**

Although we have not conducted human rights due diligence this year, we remain steadfast in our commitment to uphold all human rights regulations and safeguard the rights of all our stakeholders.

**3. Is the premise/ office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Our premises are fully accessible to employees, workers, and visitors with disabilities, in compliance with the Rights of Persons with Disabilities Act, 2016. We are committed to offering comprehensive assistance to such individuals whenever needed. Our goal is to foster a welcoming and accessible environment for everyone, and we are continually working to enhance our inclusive accessibility measures. The Company is resolutely dedicated to cultivating an environment that upholds equality and accessibility for all.

**4. Details on assessment of Value Chain Partners:**

	<b>% of value chain partners</b> (by value of business done with such partners) <b>that were assessed:</b>
<b>Child Labour</b>	82.82%
Forced/ Involuntary Labour	82.82%
Sexual harassment	82.82%
Discrimination at workplace	82.82%
Wages	-

**5. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessment at Qs. 4 above.**

No corrective actions were required, as no observations or significant risks emerged from the assessment.

## Principle 6: Businesses should respect and make efforts to protect and restore the environment.

### Essential Indicators

#### 1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	Current Financial Year 2023- 24	Previous Financial Year 2022- 23*
<b>From 'Renewable Sources' (in Gigajoules)</b>		
Total <b>Electricity</b> Consumption (A)- <b>Solar &amp; Wind</b>	3,82,353.32	3,57,120.47
Total <b>Fuel</b> Consumption (B)	-	-
<b>Energy</b> consumption through Other Sources (C)	-	-
Total Energy Consumption from renewable sources (A+B+C)	3,82,353.32	3,57,120.47
<b>From 'Non-Renewable Sources' (in Gigajoules)</b>		
Total <b>Electricity</b> Consumption (D) – <b>Grid</b>	1,18,05,865.07	1,24,37,189.56
Total <b>Fuel</b> Consumption (E)	292.73	257.22
<b>Energy</b> consumption through Other Sources (F)	-	-
Total Energy Consumption from non-renewable sources (D+E+F)	1,18,06,157.8	1,24,37,446.78
Total Energy Consumption (Renewable + Non-Renewable)	1,21,88,511.12	1,27,94,567.25
<b>Energy intensity per rupee of turnover</b> (Total energy consumption/turnover in rupees)	0.000433 GJ/INR	0.000474 GJ/INR
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity</b> (Total energy consumed/ Revenue from operations adjusted for PPP)	0.000117 GJ/US\$	0.000128 GJ/US\$
Energy intensity in terms of physical output *	1.05 GJ/units produced	1.12 GJ/units produced

\* Previous year figures have been regrouped/rearranged wherever necessary.

#### 2. Does the entity have any sites/ facilities identified as designated consumers (DCs) under the Performance, Achieve, and Trade (PAT) Scheme of the Government of India? (Yes/No)

If "Yes", disclose whether targets set under the PAT Scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No, our entity does not have any sites or facilities identified as designated consumers (DCs) under the Performance, Achieve, and Trade (PAT) Scheme of the Government of India. This is because our operations do not fall within the categories specified by the PAT Scheme, and therefore, the scheme's requirements are not applicable to our facilities.

**3. Provide details of the following disclosures related to water, in the following format:**

Parameter	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
<b>Water withdrawal by source (in kilolitres- KL)</b>		
(i) Surface Water	-	-
(ii) Groundwater	-	-
(iii) Third Party Water	58,326.3	14,096.10
(iv) Seawater/ Desalinated water	-	-
(v) Others	-	-
<b>Total Volume of water withdrawal (in KL) (i + ii + iii + iv + v)</b>	58,326.3	14096.10
Total volume of water consumption (in KL)	58,326.3	14096.10
<b>Water intensity per rupee of turnover (water consumed / turnover)</b>	0.0020 KL/INR	0.00052 KL/INR
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/ Revenue from operations adjusted for PPP)</b>	0.00000056 KL/US\$	0.00000014 KL/US\$
Water intensity in terms of physical output *	0.0050 KL/units produced	0.0012 KL/units produced

**4. Provide the following details related to water discharge:**

Parameter	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
<b>Water discharge by destination and level of treatment (in kiloliters)</b>		
(i) To Surface Water	-	-
No treatment	-	-
With treatment- <i>please specify level of treatment</i>	-	-
(ii) To Ground Water	-	-
No treatment	-	-
With treatment- <i>please specify level of treatment</i>	-	-
(iii) To Seawater	-	-
No treatment	-	-
With treatment- <i>please specify level of treatment</i>	-	-
(iv) Sent to Third Parties	-	-
No treatment	-	-
With treatment- <i>please specify level of treatment</i>	-	-
(v) Others	-	-
No treatment	-	-
With treatment- <i>please specify level of treatment</i>	-	-
Total water discharged. (in kilo-liters)	-	-

**5. Has the entity implemented a mechanism for Zero Liquid Discharge (ZLD)? If “Yes”, provide details of its coverage and implementation.**

We have implemented a robust mechanism to facilitate the recycling of wastewater from toilets and kitchens, which is interconnected with the common drainage system leading to the Mahindra World City Sewage Treatment Plant. The recycled water is subsequently utilized for gardening and the development of green belts within Mahindra World City.

Additionally, we have established a comprehensive system to ensure the recycling of used water from operations at our SIPCOT (State Industries Promotion Corporation of Tamil Nadu) Plant, Chennai Plant, and other facilities. This recycled water is repurposed within the plants for various applications, with approximately 10-15% of the water being recycled at each facility.

**6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

MWC plant			
Parameter	Please specify unit	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
NOx	µg/m3	18.00	20.40
SOx	µg/m3	15.80	8.80
Particulate Matter (PM)	µg/m3	66.40	60.90
Persistent organic pollutant (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutant (HAP)	-	-	-

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

The evaluation has been carried out by Tamil Nadu Pollution Control Board.

• **Nashik Plant 1**

Parameter	Please specify unit	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
NOx	µg/m3	7.65	6.50
SOx	µg/m3	6.87	5.48
Particulate Matter (PM)	µg/m3	16.00	-
Persistent organic pollutant (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutant (HAP)	-	-	-

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/ evaluation/assurance has been carried out.

• **Nashik Plant 2**

Parameter	Please specify unit	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
NOx	µg/m3	7.65	6.3
SOx	µg/m3	6.87	5.28
Particulate Matter (PM)	µg/m3	16	-
Persistent organic pollutant (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutant (HAP)	-	-	-

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/ evaluation/assurance has been carried out.

• **Sanand Unit**

Parameter	Please specify unit	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
NOx	ug/m3	18.65	30.07
SOx	ug/m3	21.99	34.07
Particulate Matter (PM 10)	ug/m3	64.83	74.16
Particulate Matter (PM 2.5)	ug/m3	-	36.35
Persistent organic pollutant (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutant (HAP)	-	-	-

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/ evaluation/assurance has been carried out.

• **SIPCOT Plant**

Parameter	Please specify unit	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
NOx	µg/m3	25.50	48.50
SOx	µg/m3	8.20	23.60
Particulate Matter (PM)	µg/m3	21.80	127.70
Persistent organic pollutant (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutant (HAP)	-	-	-
Others- Ozone Depleting Substances (CO)	%(v/v)	-	0.60

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/ evaluation/assurance has been carried out.

• **Chakan Plant 1**

Parameter	Please specify unit	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
NOx	-	-	-
SOx	mg/Nm3	20.53	18.73
Particulate Matter (PM)	mg/Nm3	19.73	23.93
Persistent organic pollutant (POP)		-	
Volatile organic compounds (VOC)			
Hazardous air pollutant (HAP)			

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/ evaluation/assurance has been carried out.

• **Chakan Plant 2**

Parameter	Please specify unit	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
NOx	µg/m3	18.03	-
SOx	µg/m3	10.5	-
Particulate Matter (PM)	µg/m3	51.6	-
Persistent organic pollutant (POP)		-	-
Volatile organic compounds (VOC)		-	-
Hazardous air pollutant (HAP)		-	-

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Wiangade Enviro Monitoring concluded the evaluations.

**7. Please provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity, in the following format:**

Parameter	Please specify unit	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
<b>Total Scope 1 Emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	TCO <sub>2</sub> eq	258.96	224.51
Total Scope 2 Emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	TCO <sub>2</sub> eq/MwH	23,48,054.20	24,52,890.16
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>	Metric tonnes of CO <sub>2</sub> / rupee	0.0000836 MT/INR	0.0000908 MT/INR
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Scope 1 & 2 emissions/ Revenue from operations adjusted for PPP)	Metric tonnes of CO <sub>2</sub> / adjusted for PPP	0.0000226 MT/US\$	0.0000245 MT/US\$
Total Scope 1 and Scope 2 emission intensity in terms of physical output *		0.203 MT/Units produced	0.215 MT/Units produced

**8. Does the entity have any project related to reducing Greenhouse gas emissions?**

If “Yes”, then provide details.

We have undertaken a multitude of initiatives to mitigate our greenhouse gas (GHG) emissions:

- Our company strictly adheres to the prescribed permissible limits set by CPCB/SPCB for air emissions, effluent quality and discharge, solid and hazardous waste generation, and their disposal. Moreover, we ensure that no emissions or pollutants from water, air, or other fluids are discharged into the environment, thereby safeguarding the health and well-being of the natural surroundings. Any light fumes emitted are well within the CPCB/SPCB limits for air emissions and do not fall under the category of GHG emissions.
- In compliance with environmental standards, we are committed to conserving and protecting natural resources while actively working to reduce pollution. We prioritize environmental safety and implement stringent pollution control measures as stipulated by environmental regulations.

**9. Provide details related to waste management by the entity, in the following format:**

Parameter	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
<b>Total Waste Generated (in metric Tonnes)</b>		
Plastic Waste (A)	27.27	16.93
E-Waste (B)	0.26	0.65
Bio-medical Waste (C)	-	-
Construction and Demolition Waste (C&D) (D)	-	-
Battery Waste (E)	0.14	0.08
Radioactive Waste (F)	-	-
Waste Oil (G)	-	5.02
Other Hazardous Waste generated (H) <i>(Please specify, if any)</i>	1.25	0.42
Other Non-Hazardous Waste generated (I) <i>(Please specify, if any)</i>	317.35	100.7
<b>Total Waste Generated (A+B+C+D+E+F+G+H+I)</b>	<b>346.27</b>	<b>123.8</b>
<b>Waste intensity per rupee of turnover</b> <i>(Total waste generated/ Revenue from operations)</i>	0.000000012 MT/INR	0.000000046 MT/INR
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> <i>(Total waste generated/ Revenue from operations adjusted for PPP)</i>	0.0000000333 MT/US\$	0.0000000124 MT/US\$
Waste intensity in terms of physical output	0.000029 MT/Units produced	0.000011 MT/Units produced
<b>Waste intensity (optional)- the relevant metric may be selected by the entity</b>	-	-
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
Category Waste		
(i) Recycled	44.46	111.013*
(ii) Re-used	6.5	-
(iii) Other recovery operations	-	-
<b>Total</b>	<b>50.96</b>	<b>111.013</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
Category Waste		
(i) Incineration	0.043	0.035*
(ii) Landfilling	-	-
(iii) Other disposal operations	295.27	-
<b>Total</b>	<b>295.313</b>	<b>0.035*</b>

\* The figures are only calculated for SIPCOT plant as in other plants, waste is recycled through third party authorised vendors.



**10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Our company adheres rigorously to CPCB/SPCB approved standards for air pollutants, effluent quality, discharge protocols, and the management of solid and hazardous waste. We strictly comply with all relevant environmental regulations and guidelines during waste disposal. Our waste management strategy focuses on three core areas: waste reduction through streamlined manufacturing processes and responsible production practices, recycling and reuse initiatives to maximize resource efficiency, and conscientious waste disposal methods.

We prioritize source reduction by optimizing our manufacturing processes to minimize material waste and reduce the generation of hazardous and non-hazardous substances. Our commitment extends to promoting recycling and reuse wherever feasible, ensuring that recyclable materials are segregated and sent to appropriate recycling facilities. Scrap and waste raw materials from our manufacturing operations are transported to specialized recycling plants rather than being recycled onsite.

Additionally, we have implemented a comprehensive approach to minimize the use of hazardous and toxic chemicals in our products and processes. This includes stringent hazardous waste management practices, controlled application of hazardous chemicals, and ongoing employee training programs. Furthermore, we are progressively encouraging our suppliers and vendors to adopt sustainable procurement practices, such as minimizing packaging and enhancing recycling capabilities when necessary.

**11. If the entity has operations/ offices in & around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc.) where environmental approvals/ clearances are required, please specify details in the following format:**

S. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval/ clearance are being complied with? (Yes/No) If “No”, the reasons thereof and corrective action taken, if any.
Our entity does not have operations or offices in or around ecologically sensitive areas such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, or coastal regulation zones. Therefore, there are no environmental approvals or clearances required for our activities in these contexts. The locations of our operations do not intersect with any regions that necessitate such environmental approvals.			

**12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year 2023- 24:**

Name and brief of the project	EIA Notification No.	Date	Whether conducted by independent agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web-link
No Environmental Impact Assessments (EIAs) were undertaken in the financial year 2023-24. This is because our projects during this period did not fall under the categories that require an EIA according to applicable environmental regulations. The scope and nature of our projects were such that they did not meet the criteria necessitating formal environmental assessments. As a result, EIAs were not required for any of our initiatives this year.					

**13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and Rules thereunder (Yes/ No).**

If “Not”, provide details of all such non-compliances, in the following format:

S. No.	Specify the law/ regulation/ guidelines which is not compliant	Provide details of the non-compliance	Any fines/ penalties/ action taken by regulatory agencies such as pollution control board or by courts	Corrective action taken if any
Yes, we are in compliance with the following laws which are applicable specifically to our business operations,				
1. The Industrial (Development and Regulation) Act, 1951.				
2. The Factories Act, 1948 & Central Rules or concerned State Rules, made thereunder.				
3. The Environment (Protection) Act, 1986.				
4. The Water (Prevention and Control of Pollution) Act, 1974 & Central Rules/concerned state rules.				
5. The Air (Prevention and Control of Pollution) Act, 1981 & Central Rules/concerned state rules.				

## Leadership Indicators

### 1. Water withdrawal, consumption, and discharge in areas of ‘Water Stress’ (in kilo litres):

For each facility/ plant located in areas of water stress, provide the following information:

- i. Name of area
- ii. Nature of operations
- iii. Water withdrawal, consumption, and discharge in the following format:

Parameter	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
<b>Water withdrawal by source (in kilo litres)</b>		
(i) Surface Water	Not Applicable. None of our facilities or plants are located in water stressed areas.	
(ii) Ground Water		
(iii) Third Party Water		
(iv) Seawater/ Desalinated Water		
(v) Others w		
<b>Total volume of water withdrawal (in KL)</b>		
<b>Total volume of water consumption (in KL)</b>		
<b>Water intensity per rupee of turnover</b> (Water consumed/ Turnover)		
<b>Water discharge by destination and level of treatment (in Kilo litres)</b>		
(i) To Surface Water	Not Applicable. None of our facilities or plants are located in water stressed areas.	
No treatment		
With treatment- please specify level of treatment		
(ii) To Ground Water		

Parameter	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
No treatment		
With treatment- please specify level of treatment		
(iii) Sent to Third Party Water		
No treatment		
With treatment- please specify level of treatment		
(iv) Into Seawater		
No treatment		
With treatment- please specify level of treatment		
(v) Others		
No treatment		
With treatment- please specify level of treatment		
Total water discharged. (in kilo-litres- Kl)		

**Note:** Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If “Yes”, name the external agency.

No independent assessment/ evaluation/assurance has been carried out.

**2. Please provide details of total Scope 3 emissions and its intensity, in the following format:**

Parameter	Please specify unit	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
<b>Total Scope 3 Emissions</b> ( <i>Break-up of the GHG into CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, if available</i> )	Metric tonnes of CO <sub>2</sub> equivalent	We have not recorded our scope 3 emissions for current and previous financial year	
Total Scope 3 emissions per rupee of turnover			

**Note:** Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If “Yes”, name the external agency.

No independent assessment/ evaluation/assurance has been carried out.

**3. With respect to the ecologically sensitive areas reported in Qs. 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.**

No, we do not have any plants or offices in ecologically sensitive areas.

**4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/ effluent discharge/ waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

At SMIL, we pride ourselves on being at the forefront of emission control technology, offering a range of advanced products designed to meet the stringent BS6 and BS6.2 regulations. These standards are essential for enhancing air quality and reducing respiratory illnesses. Our key innovations include the Lean NOx Trap (LNT) and Selective Catalytic Reduction (SCR) systems, which effectively control NOx emissions from diesel engines, and Diesel Particulate Filters (DPF) that capture particulate emissions. We also offer Gasoline Particulate Filters (GPF) to reduce emissions from gasoline engines, Diesel Oxidation Catalysts that address CO and HC emissions, and Three Way Catalysts (TWC) that manage non-methane hydrocarbons while simultaneously converting HC, CO, and NOx.

Beyond our product innovations, we are deeply committed to operational sustainability. We've implemented measures to reduce power consumption, such as optimizing air conditioning settings and enhancing machine efficiency through preventive maintenance. We also invest in energy-efficient machinery to further our environmental goals. These efforts reflect our dedication to both preserving the environment and making a positive impact on society.

**5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web-link.**

We have established a comprehensive [Risk Management Policy](#) designed to identify and mitigate various risks that could adversely affect our operations and business. The Risk Management Committee supervises the execution of action plans that pinpoint potential business hazards and closely monitors the effectiveness of our risk management strategies. The policy outlines a range of processes and safeguards to ensure that risks are managed efficiently and that business activities remain uninterrupted.

**6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

We take measures to ensure sustainable and responsible production, however we don't have any significant negative effects on the environment as a result of our value chain.

**7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

The environmental effects of our value chain partners have not been evaluated by us.

**Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.**

**Essential Indicators**

**1. (a) Number of affiliations with trade and industry chambers/ associations.**

We are affiliated with one association only.

**b) List the top 10 trade and industry chambers/ associations (determined based on the total numbers of such body) the entity is member of/ affiliated to.**

S. No.	Name the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National)
1.	Automotive Component Manufacturers Association of India	National

**2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the Case	Corrective action taken
There were no cases related to anti-competitive conduct hence no corrective actions were taken or underway based on adverse orders from regulatory authorities.		

**Leadership Indicators**

**1. Details of public policy positions advocated by the entity:**

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain (Yes/No)	Frequency of Review by Board	Web Link, if available
-					

## Principle 8: Businesses should promote inclusive growth and equitable development.

### Essential Indicators

#### 1. Details of Social Impact Assessments (SIA) projects undertaken by the entity based on applicable laws, in the current financial year 2023- 24:

Name and brief detail of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes/ No)	Relevant web-link
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No Social Impact Assessments (SIAs) were undertaken in the financial year 2023-24. This is because, based on the nature of our projects and the specific regulations applicable to our operations, SIAs were not required for any of our initiatives during this period. Our projects did not meet the threshold criteria that mandate the need for formal SIAs, as outlined by relevant legal and regulatory frameworks.

#### 2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of the project for which R&R is ongoing	State	District	No. of project affected families (PAFs)	%of PAFs covered by R&R	Amounts paid to PAFs in the financial year (in INR.)
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No ongoing Rehabilitation and Resettlement (R&R) projects are being undertaken by our entity at this time. This is because our current projects and operations do not involve activities that necessitate R&R measures. The nature and scope of our projects for the financial year 2023-24 do not require any R&R interventions, as they do not impact communities or land in a way that triggers the need for such measures according to relevant regulations and guidelines.

#### 3. Describe the mechanisms to receive and redress grievances of the community.

Our esteemed Corporate Social Responsibility (CSR) Committee, composed of distinguished Board members, collaborates to address community needs with great effectiveness. Through consultations between plant heads and local stakeholders, the CSR Steering Committee develops long-term initiatives focused on healthcare, sanitation, education, environmental protection, and support for underprivileged communities. These impactful programs are executed with precision through the Sharda CSR Foundation Trust, benefiting society at large. We encourage open communication by offering a dedicated email address, [shardacrtrust@shardamotor.com](mailto:shardacrtrust@shardamotor.com), enabling community members to directly express their concerns and suggestions.

#### 4. Percentage of input material (input to total inputs by value) sourced from suppliers:

	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
Directly sourced from MSMEs/ Small producers	6.73%	5.99%
Directly from within India	85.76%	70.96%

5. **Job creation in smaller towns: Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/ on contract basis) in the following locations, as % of the total wage cost:**

Location	Current Financial Year 2023- 24	Previous Financial Year 2022- 23
Rural	32.66%	35.10%
Semi-Urban	3.20%	3.11%
Urban	35.35%	38.21%
Metropolitan	28.78%	23.57%

Note: Place categorized as per RBI Classification System- rural/ semi-urban/ urban/ metropolitan

### Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference Qs. 1 of Essential Indicators, above)**

Details of negative social impact identified	Corrective action taken
-	-

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S. No.	State	Aspirational District	Amount Spent (in INR.)
-	-	-	-

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/ vulnerable groups? (Yes/No)**

No, currently, we do not have a specific preferential procurement policy; however, we actively promote and develop Micro and Small Enterprises (MSEs) and local suppliers by supporting them through various procurement modalities. SMIL is founded on the core principles of competitiveness, upholding sound procurement practices, and executing supplies in a manner that is fair, equitable, transparent, competitive, and cost-effective. In financial year 24, MSMEs contributed approximately 7% of our total procurement, with expenditures totaling ₹155 crores on MSME suppliers and small vendors, Rs 1697 Crores within state and Rs 297 Crores from other states.

- (b) **From which marginalized/ vulnerable groups do you procure?**

Our company consistently sources a diverse array of raw materials and equipment from local and regional vendors classified as micro, small, and medium enterprises (MSMEs). This strategy reflects our unwavering commitment to nurturing the development of local and regional suppliers, thereby facilitating seamless business operations and contributing to community growth.

- (c) **What percentage of total procurement (by value) does it constitute?**

MSMEs constitute 7% of our total procurement in financial year 2024.

**4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year 2023- 24), based on traditional knowledge:**

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/ No)	Benefit Shared (Yes/ No)	Basis of calculating benefit share
Not Applicable				

**5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Name of authority	Brief of Case	Corrective action taken
Nil		

**6. Details of beneficiaries of CSR Projects:**

S. No.	CSR Project	No. of persons benefited from CSR Projects	% Beneficiaries from vulnerable & marginalized groups
1	Sharda Unnati Grant for Promoting education to Shri Madhav Sewa Samiti	400	100% (The beneficiaries included children).
2	Sharda Unnati Grant for Health and Livelihood Support to Shree Bhagwan Mahaveer Viklang Sahayata Samiti	149	100% (The beneficiaries included persons with disabilities).
3	Sharda Unnati Grant for Health project to Breast Cancer Patient Benefit Foundation	235	100% (The beneficiaries included cancer patients).
4	Ambulance Services for nearby communities (SIPCOT, Chakan, Nashik, MWC plants).	321	100% (The beneficiaries included people from nearby our plant locations).
5	Sharda CSR Medical Clinic	50*	100% (The beneficiaries included people from nearby our plant locations).
6	Contribution for development of sports facility to Child Education Society	The exact number of persons benefiting from this project has not been determined.	100% (The beneficiaries included children).
7	Contribution for Eye Clinic to Rotary Southend Charitable Trust	The exact number of persons benefiting from this project has not been determined.	100% (The beneficiaries included eye patients).

\*Medical Clinic was inaugurated in the month of March 2024.

## Principle 9: Business should engage with and provide value to their consumers in a responsible manner.

### Essential Indicators

#### 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Delivering outstanding customer service has become increasingly critical in navigating a competitive landscape. Establishing a robust framework that allows our customers to freely share their feedback on our products and services is equally essential. We believe that promptly addressing our clients' concerns is key to building customer loyalty and enhancing brand equity, and we ensure that every customer has access to this system.

Actively engaging with our customers provides invaluable opportunities to refine and innovate our offerings based on their feedback, insights into evolving needs, preferences, and emerging market trends. We consider input from all our B2B (Business-to-Business) clients through a comprehensive complaint management system and various communication channels, including emails, in-person meetings, and telephone conversations. This approach enables us to deliver tailored solutions that not only resolve issues but also prevent future occurrences.

Our company is dedicated to addressing our clients' concerns with fairness, promptness, and efficiency, thereby enhancing their overall experience and achieving operational excellence.

#### 2. Turnover of products and/services as a percentage of turnover from all products/services that carry information about:

Parameters	As percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

**Note:** Our products are not labeled, as our clientele operates within the B2B sector. Nevertheless, we ensure that our customers are well-informed throughout the sales process through a range of communication channels, including emails, in-person meetings, and telephonic conversations.

#### 3. Number of consumer complaints in respect of the following:

	Current Financial Year 2023- 24		Remarks	Previous Financial Year 2022- 23		Remarks
	Received	Pending at end of year		Received	Pending at end of year	
Data Privacy	Nil	Nil	-	Nil	Nil	-
Advertising	Nil	Nil	-	Nil	Nil	-
Cyber-security	Nil	Nil	-	Nil	Nil	-
Delivery of essential services	Nil	Nil	-	Nil	Nil	-
Restrictive Trade Practices	Nil	Nil	-	Nil	Nil	-
Customer Complaints	Nil	Nil	-	Nil	Nil	-



**4. Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary Recalls	Nil	-
Forced Recalls	Nil	-

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/ No).**

If available, provide a web-link of the policy.

Yes, data protection is increasingly crucial for companies of all sizes and industries. A robust data protection strategy is essential for safeguarding digital resources and information from both internal and external threats. We have implemented a comprehensive IT security system that complies with legislative requirements and follows industry best practices.

Our organization is equipped with a high-standard IT infrastructure, supported by regular preventive and corrective maintenance. Our [IT policy](#) aims to establish guidelines and recommendations for the secure, efficient, and optimal use of our IT assets. This policy is designed to protect the organization's network and resources from threats such as viruses, malware, spyware, and unauthorized access. We utilize firewalls, anti-virus and anti-spam software, AV definitions, intrusion prevention systems (IPS), and web filtering to defend against potential cyber threats.

Our IT department is responsible for managing and developing an infrastructure that ensures the secure and continuous distribution of information within the organization and to external partners via the Internet. As part of this framework, we have implemented procedures to scan our data and information to prevent the spread of viruses, worms, Trojan horses, and other harmful executable objects. Emails identified as containing viruses, worms, Trojan horses, or other executable threats are not delivered to users. If an email cannot be sanitized, it is removed from the delivery system and assessed by our network and security administrator.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services, cyber security, and data privacy of customers; re-occurrence of instances of product recalls, penalty/ action taken by regulatory authorities on safety of products/ services.**

We did not receive any cases or issues in the financial year 2023-24 relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/ action taken by regulatory authorities on safety of products/ services hence no corrective action has been taken or underway.

**7. Provide the following information relating to data breaches:**

(a) Number of instances of data breaches:

Nil

(b) Percentage of data breaches involving personally identifiable information of customers.

Nil

(c) Impact, if any, of the data breaches.

Nil

**Leadership Indicators**

**1. Channels/ platforms where information on products and services of the entity can be accessed (provide web link, if possible)**

For detailed information about our products and services, please visit our dedicated page at: <https://www.shardamotor.com/products-services/>.

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/ or services.**

We cater to the B2B market and are dedicated to educating our clients on the safe and responsible use of our products. This is accomplished through personalized interactions, including face-to-face meetings, telephone consultations, and email correspondence, as well as any additional support needed throughout the entire sales process.

**3. Mechanism in place to inform consumers of any risk of disruption/ discontinuation of essential services.**

Our products and services are not classified as essential services. Nevertheless, we rigorously manage nonconforming products, take appropriate corrective actions, and meticulously oversee both the process and the quality system. Additionally, we ensure our customers are well-informed through email and phone communications, allowing them to make alternative arrangements to effectively manage their business operations.

**4. a. Does the entity display product information on the product over and above what is mandated as per the local laws? (Yes/ No/ Not Applicable).**

If “Yes”, provide details in brief.

**b Did your entity carry out any survey about customer satisfaction relating to the major products/ services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/ No).**

In alignment with national and state regulations, our company diligently communicates all relevant product information. We believe this practice is instrumental in promoting sustainability, responsible consumption, and safe disposal.

Additionally, we regularly conduct customer satisfaction surveys at each plant level. These surveys provide us with invaluable feedback, enabling us to refine our products and services and develop innovative solutions that align with our customers' needs and expectations.